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WRITER'S DIRECT NUMBER:

17834
RECORDATION NO. _____ FILED 1425
JUN 30 1992 -10 25 AM
INTERSTATE COMMERCE COMMISSION

17834
RECORDATION NO. _____ FILED 1425
JUN 30 1992 -10 25 AM
INTERSTATE COMMERCE COMMISSION

2-182A006

June 30, 1992

Re: TTX Company - Lease (No. 36-C)
and Equipment Trust Agreement (No. 36-C)

JUN 30 10 31 AM '92
MOTOR OPERATING UNIT

Interstate Commerce Commission
12th Street and Constitution Avenue, N.W.
Washington, D.C. 20423

Attention: Sidney L. Strickland, Secretary

Dear Mr. Secretary:

I have enclosed two fully executed and acknowledged originals of each of the two documents described below, to be recorded pursuant to Section 11303 of Title 49 of the United States Code.

The first document is a lease dated as of June 30, 1992 and is a "primary document" as defined in the applicable regulations.

The names and addresses of the parties to the first document are as follows:

Vendor and Lessee:	TTX Company 101 North Wacker Drive Chicago, Illinois 60606
Lessor:	Ameritrust Texas, N.A., not in its individual capacity but solely as Owner Trustee 1201 Elm Street, 30th Floor Dallas, Texas 75270

The second document is an equipment trust agreement dated as of June 30, 1992 and is a "primary document" as defined in the applicable regulations.

Counterparts
Filed 2 Sep

The names and addresses of the parties to the second document are as follows:

Lessor: Ameritrust Texas, N.A., not in its individual capacity but solely as Owner Trustee
1201 Elm Street, 30th Floor
Dallas, Texas 75270

Trustee: Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, MD 21201

The equipment covered by the documents consists of five-unit articulated double-stack container-well flatcars for transporting cargo containers and single-unit heavy-lift double-stack container-well flatcars, including configurations of multiple units semi-permanently connected with drawbars, for transporting cargo containers, but shall not include any special devices, racks or assemblies, at any time attached or affixed to any such equipment, the title to which is in a person other than the company. Such equipment is identified with more particularity in Schedule A of the Lease of Railroad Equipment and Equipment Trust Agreement.

A fee of thirty-two dollars ($32.00) is enclosed. Please return one of the originals to me at Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017.

A short summary of each of the documents to appear in the index follows:

Lease of Railroad Equipment (No. 36-C) between TTX Company, 101 North Wacker Drive, Chicago, Illinois 60606 and Ameritrust Texas, N.A., not in its individual capacity but solely as Owner Trustee, 1201 Elm Street, 30th Floor, Dallas, Texas 75270, dated as of June 30, 1992 covering five-unit articulated double-stack container-well flatcars for transporting cargo containers and single-unit heavy-lift double-stack container-well flatcars, including configurations of multiple units semi-permanently connected with drawbars, for transporting cargo containers, but not including any special devices, racks or assemblies, at any time attached or affixed to any such equipment, the title to which is in a person other than the company. The equipment covered by the Lease of Railroad Equipment (No. 36-C) is set forth in Schedule A to such lease.

Equipment Trust Agreement (No. 36-C) between Mercantile-Safe Deposit and Trust Company, Two Hopkins Plaza, Baltimore, MD 21201 and Ameritrust Texas, N.A., not in its individual capacity but solely as Owner Trustee, 1201 Elm Street, 30th Floor, Dallas, Texas 75270, dated as of June 30, 1992 pursuant to which 7.45% Equipment Trust Certificates due 1999, 8.21% Equipment Trust Certificates due 2003 and 8.41% Equipment Trust Certificates due 2008 have been issued and which Equipment Trust Agreement covers five-unit articulated double-stack container-well flatcars for transporting cargo containers and single-unit heavy-lift double-stack container-well flatcars, including configurations of multiple units semi-permanently connected with drawbars, for transporting cargo containers, but not including any special devices, racks or assemblies, at any time attached or affixed to any such equipment, the title to which is in a person other than the Company; which equipment is subject to the Lease of Railroad Equipment (No. 36-C) referred to above. The equipment covered by the Equipment Trust Agreement (No. 36-C) is set forth in Schedule A to such agreement.

Very truly yours,

Bruce Dallas

Bruce Dallas
Representative for TTX Company

Enclosures

Interstate Commerce Commission

Washington, D.C. 20423

6/30/92

OFFICE OF THE SECRETARY

Bruce Dallas

Davis Polk & Wardwell

450 Lexington Avenue

New York,N.Y. 10017

Dear Sir:

The enclosed dcoument(s) was recorded pursuant to the provisions of Section 11303 of the Insterstate Commerce Act, 49 U.S.C. 11303, on 6/30/92 at 10:25am , and assigned recordation number(s). 17834 & 17834-A

Sincerely yours,

Sidney L. Strickland, Jr.

Sidney L. Strickland, Jr.
Secretary

[EXECUTION COPY]

==========

17834
RECORDATION NO. _____ FILED 1425
JUN 30 1992 10 25 AM
INTERSTATE COMMERCE COMMISSION

LEASE OF RAILROAD EQUIPMENT

(No. 36-C)

Dated as of June 30, 1992

Between

TTX COMPANY,

as Lessee

and

AMERITRUST TEXAS, N.A.

not in its individual capacity
but solely as Owner Trustee,
as Lessor

THE RIGHTS OF THE LESSOR UNDER THIS LEASE AND IN ALL EQUIPMENT COVERED HEREBY HAVE BEEN ASSIGNED AND ARE SUBJECT TO A SECURITY INTEREST.

THIS LEASE HAS BEEN EXECUTED IN COUNTERPARTS. THE COUNTERPART OR COUNTERPART SET HELD BY THE ASSIGNEE HEREOF IS THE "ORIGINAL," AND ALL OTHER COUNTERPARTS ARE DUPLICATES.

==========

This lease has been filed with the Interstate Commerce Commission pursuant to 49 U.S.C. § 11303 on _____ ___, 1992, at __:__ _.m., recordation number _____, and deposited in the Office of the Registrar General of Canada pursuant to Section 90 of the Railway Act of Canada on _____ ___, 1992, at __:__ _.m.

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SCHEDULE A -- EQUIPMENT

LEASE OF RAILROAD EQUIPMENT (No. 36-C) dated as of June 30, 1992, between TTX COMPANY, a Delaware corporation (together with its successors and assigns, hereinafter called the Lessee), and AMERITRUST TEXAS, N.A., a national banking association, not in its individual capacity but solely as trustee (in such capacity hereinafter called the Lessor) under a Trust Agreement dated as of the date hereof (hereinafter called the Trust Agreement) with Fifth Third Leasing Company, an Ohio corporation, (hereinafter, together with its permitted successors and assigns, the "Beneficial Owner").

WHEREAS, all capitalized terms used herein shall have the respective meanings set forth after these recitals;

WHEREAS the Lessee desires to enter into a sale and leaseback transaction in respect of certain railroad equipment and pursuant to due corporate authority agrees to sell to and lease from the Lessor such equipment at the purchase price and the rentals and upon the terms and conditions hereinafter provided;

WHEREAS the Lessor will pursuant to the Participation Agreement purchase from the Lessee the equipment described in Schedule A hereto or in a Lease Supplement (such equipment as shall be delivered and accepted hereunder or thereunder being hereinafter called the Equipment) for lease to the Lessee;

WHEREAS the Lessor will finance a portion of the purchase price of the Equipment by issuing equipment trust certificates (the "Equipment Trust Certificates") and the obligations of the Lessor under such Certificates will be secured by a security interest in the Equipment and an assignment of this Lease, all pursuant to the Equipment Trust Agreement dated as of the date hereof (hereinafter called the Equipment Trust Agreement) between the Lessor and MERCANTILE-SAFE DEPOSIT AND TRUST COMPANY, a Maryland banking corporation, (hereinafter called the Security Trustee); and

WHEREAS the Lessee, the Lessor, the Beneficial Owner, and the purchasers of the Equipment Trust Certificates are entering into a Participation Agreement dated as of the

date hereof (hereinafter called the Participation Agreement), setting forth the conditions of the purchase of the Equipment by the Lessor and the purchase of the Equipment Trust Certificates.

NOW THEREFORE, in consideration of the rents to be paid and the covenants herein contained, the Lessor hereby leases the Equipment to the Lessee upon the following terms and conditions:

DEFINITIONS

The following terms, as used herein, have the following respective meanings:

"AAR" means the Association of American Railroads.

An amount required to be paid on an "After-Tax Basis" shall be increased to the extent necessary so that such payment, after deduction of all additional income taxes imposed under federal, state and local law (determined (i) in the case of federal income taxes, by assuming that the relevant party is subject to the highest marginal federal income tax rate then generally applicable to corporations, (ii) in the case of state and local income taxes, by assuming that the relevant party is subject to an effective state and local income tax rate equal to the highest marginal income tax rate then applicable to corporations in the jurisdiction where its principal place of business is then located and (iii) by assuming that state and local income taxes are fully deductible for federal income tax purposes) that would not have been imposed but for the receipt or accrual of such payment, is equal to the amount required to be paid hereunder.

"Applicable Laws" is defined in Section 4.3.

"Basic Rent" is defined in Section 2.2(b).

"Basic Term" is defined in Section 2.1(b).

"Basic Term Commencement Date" means December 28, 1992.

"Basic Term Purchase Option" means Lessee's option to purchase Equipment pursuant to Section 10.2(a) hereof

"Basic Term Termination Date" means December 28, 2008.

"Beneficial Owner" is defined in the recitals above.

"Bill of Sale" means a bill of sale covering a Unit or Units, executed by the Lessee in favor of the Lessor, dated the appropriate Settlement Date, warranting to the Lessor the title to such Unit or Units, free and clear of all liens, charges and encumbrances, and covenanting to defend the same.

"Business Day" means any day except a Saturday, Sunday or other day on which commercial banks in Baltimore, Maryland, Dallas, Texas, New York City, New York or Chicago, Illinois are authorized to close.

"Car Type" means either of: (a) five-unit articulated double-stack container-well flatcars for transporting cargo containers or (b) single-unit heavy-lift double-stack container-well flatcars, including configurations of multiple units semi-permanently connected with drawbars, for transporting cargo containers.

"Casualty Occurrence" is defined in Section 6.3.

"Casualty Value" with respect to any Unit of Equipment on any Rent Payment Date means the amount determined by multiplying the Original Cost of such Unit of Equipment by the Casualty Value percentage set forth opposite such Rent Payment Date in Schedule B to the Rent Agreement.

"Certificate of Acceptance" means a certificate of acceptance covering a Unit or Units in the form of Annex B to the Participation Agreement.

"Default" shall mean an Event of Default or event that, with the lapse of time or the giving of notice or both, would become an Event of Default.

"Equipment" is defined in the recitals above.

"Equipment Trust Agreement" means the Equipment Trust Agreement (No. 36-C) dated the date hereof, between the Lessor and the Security Trustee, as said agreement may be supplemented or amended from time to time.

"Equipment Trust Certificates" means the equipment trust certificates issued pursuant to the Equipment Trust Agreement.

"Event of Default" is defined in Section 8.1.

"Excluded Interests" is defined in Section 1.1 of the Equipment Trust Agreement.

"Expected Average Life" means (a) with respect to tranche 1 of the Certificates, 5.09 years, (b) with respect to tranche 2 of the Certificates, 9.60 years, and (c) with respect to tranche 3 of the Certificates, 13.67 years.

"Expected Maturity Date" means (a) with respect to tranche 1 of the Equipment Trust Certificates, July 1, 1999, (b) with respect to tranche 2 of the Equipment Trust Certificates, January 1, 2003, and (c) with respect to tranche 3 of the Equipment Trust Certificates, January 1, 2008.

"Expected Settlement Dates" is defined in Section 1.3 of the Participation Agreement.

"Expenses" is defined in Section 7.1.

"Fair Market Renewal Rent" is defined in Section 2.2(d).

"Fair Market Renewal Term" is defined in Section 2.1(d).

"Fair Market Rent" and "Fair Market Value" shall mean the rent or value of the Equipment as determined pursuant to Section 10.2(c).

"Fixed Rate Renewal Rent" is defined in Section 2.2(c).

"Fixed Rate Renewal Term" is defined in Section 2.1(c).

"FRA" means the Federal Railroad Administration of the United States Department of Transportation.

"Improvements" is defined in Section 4.5.

"Indemnified Party" is defined in Section 7.1.

"Interim Term" is defined in Section 2.1(a).

"Lease" means this Lease of Railroad Equipment as originally executed and delivered or, if amended or supplemented as herein provided, as so amended or supplemented.

"Lease Supplement" is defined in Section 11.1.

"Lessee" is defined in the recitals above.

"Lessor" is defined in the recitals above.

"Officer's Certificate" shall mean a certificate signed by the President, any Vice President, the Controller, the Secretary, any Assistant Secretary, the Treasurer or any Assistant Treasurer of the Lessee.

"Operative Documents" means each of this Lease, the Rent Agreement, the Participation Agreement, the Bills of Sale, the Equipment Trust Agreement, the Tax Indemnity Agreement and the Trust Agreement.

"Original Cost," when used with respect to Equipment, shall mean the actual cost thereof (including freight charges, if any, from the manufacturer's plant to a point of delivery to the Lessee and applicable local or state sales taxes, if any), as evidenced by the manufacturer's invoice with respect to such Equipment (less any known deduction therefrom due to a quantity discount, refund or other allowance) all as set forth in the invoice of the Lessee to the Owner Trustee.

"Participation Agreement" means the Participation Agreement dated the date hereof among the Lessee, the Beneficial Owner, the Lessor and the purchasers of Equipment Trust Certificates listed therein or, if amended as therein provided, as so amended.

"Permitted Liens" is defined in the Participation Agreement.

"Renewal Term" means each of the Fair Market Renewal Term and the Fixed Rate Renewal Term.

"Rent" means Basic Rent, Fair Market Renewal Rent, Fixed Rate Renewal Rent and Supplemental Rent, collectively.

"Rent Agreement" means the Rent Agreement between Lessor and Lessee dated the date hereof as the same may be supplemented or amended from time to time as provided in Section Eleven.

"Rent Payment Date" means January 1, 1993 and each succeeding July 1 and January 1 to and including the last such date in the term of this Lease (and including December

28, 2008 to the extent any payment of Basic Rent is due on such date).

"Security Trustee" is defined in the recitals above.

"Settlement Date" means each of the Expected Settlement Dates or such other dates not later than December 17, 1992, as the Lessee may select pursuant to the Participation Agreement.

"Special Purchase Option" means Lessee's option to purchase Equipment pursuant to Section 10.2(b) hereof.

"Special Purchase Option Date" is the Special Purchase Option Date set forth in Schedule C to the Rent Agreement.

"Supplemental Rent" means all amounts, liabilities and obligations (other than Basic Rent, Fair Market Renewal Rent and Fixed Rate Renewal Rent) which the Lessee assumes or agrees to pay to the Lessor or others hereunder, under the Participation Agreement, to the extent due and payable by the Lessee under the Tax Indemnity Agreement or under any of the other Operative Documents.

"Surplus Equipment" is defined in Section 10.1.

"Tax Indemnity Agreement" means the Tax Indemnity Agreement dated as of the date hereof between the Lessee and the Beneficial Owner or, if amended as therein provided, as so amended.

"Taxes" is defined in Section 7.2.

"Termination Value" with respect to any Unit of Equipment on any Rent Payment Date means the amount determined by multiplying the Original Cost of such Unit of Equipment by the Termination Value percentage set forth opposite such Rent Payment Date in Schedule B to the Rent Agreement.

"Transaction Expenses" means expenses funded by the Beneficial Owner or the Lessor including, but not limited to, (1) fees and disbursements of the Beneficial Owner's counsel, (2) costs of the appraisal dated on or about May 29, 1992 by Carl Chrappa of Independent Equipment Company of the Equipment; (3) the initial fees of the Security Trustee and the Lessor and the fees and disbursements of their respective counsel; (4) the cost of any recordation or filing made

pursuant to the Operative Documents; (5) document reproduction costs incurred in connection with the negotiation of the Operative Documents and the performance of any obligation thereunder; (6) fees and disbursements of Davis Polk & Wardwell, counsel to the Debt Participants (as such term is defined in the Participation Agreement); and (7) debt placement fees of The First Boston Corporation; provided that all expenses incurred directly by the Beneficial Owner other than the fees and disbursement of counsel referred to in clause (1) and the costs of the appraisal referred to in clause (2) shall not be deemed a Transaction Expense; provided further that the excess, if any, of (a) the fees and disbursements of counsel referred to in clause (1) over $7,500 and of (b) the costs of the appraisal referred to in clause (2) over $400 shall not be deemed a Transaction Expense.

"Trust Agreement" means the Trust Agreement (No. 36-C) dated as of the date hereof between the Beneficial Owner and the Lessor.

"Unit" means any railroad car included in the Equipment or any part thereof or any interest therein.

SECTION ONE
DELIVERY AND ACCEPTANCE

1.1. Acceptance Under Participation Agreement and Lease. Lessor, subject to satisfaction or waiver of the conditions set forth in Section Three of the Participation Agreement, hereby agrees to purchase, on each Settlement Date, Equipment from Lessee under the Participation Agreement and to simultaneously lease such Equipment to Lessee hereunder, and Lessee hereby agrees to lease such Equipment on each Settlement Date from Lessor hereunder. Lessee's acceptance of such Equipment for lease will be evidenced by the execution, on each Settlement Date, by Lessor and Lessee of a Certificate of Acceptance and Lease Supplement hereto (if necessary).

If the Lessor shall be relieved of its obligation to purchase any Unit of such Equipment because of the failure of any condition set forth for such purchase in Section Three of the Participation Agreement or for acceptance of the Equipment by the Lessee in this Section 1.1, then all rights and obligations of the Lessor to purchase Lessee's interest in such Equipment and Lessee's obligation to lease such Equipment from Lessor shall terminate.

1.2. Appointment of Lessee as Agent. The Lessor hereby appoints the Lessee its agent, with full power of substitution, so long as no Default relating to Section 8.1(f) hereof or Event of Default has occurred or is continuing, to assert and enforce, at Lessee's own expense, any rights the Lessor may have against the vendors of the Equipment or any Unit or component thereof with respect to such vendors' warranties. The Lessee shall be obligated to assist diligently with respect to any such claims and to use the proceeds, if applicable, for the repair or restoration of the Equipment affected thereby and, otherwise, for application in accordance with Section 6.2.

SECTION TWO
TERM AND RENT

2.1. Rental Terms. (a) Interim Term. The interim term (the "Interim Term") for any Equipment delivered on any Settlement Date to Lessor pursuant to the Participation Agreement shall be the period commencing on such Settlement Date and ending at 11:59 p.m. on the day immediately preceding the Basic Term Commencement Date, or such earlier date on which this Lease shall be terminated hereunder.

(b) Basic Term. The basic term (the "Basic Term") for any Equipment delivered on any Settlement Date to Lessor pursuant to the Participation Agreement shall be the period commencing upon the expiration of the Interim Term for such Equipment and ending at 11:59 p.m. on the Basic Term Termination Date.

(c) Fixed Rate Renewal Term. Unless an Event of Default shall have occurred and shall be continuing, the Lessee, by 120-days' written notice to the Lessor prior to the end of the Basic Term, shall have a one-time option to elect to extend the term of this Lease for an additional term (the "Fixed Rate Renewal Term") with respect to all, but not less than all, of the Units of Equipment of either or both Car Type then subject to this Lease for an additional period of four years.

(d) Fair Market Renewal Term. Unless an Event of Default shall have occurred and shall be continuing, the Lessee, by 120-days' written notice to the Lessor prior to the end of the Basic Term or the Fixed Rate Renewal Term, as the case may be, may elect to extend the term of this Lease for an additional term (the "Fair Market Renewal Term") with respect to all, but not less than all, of the Units of Equip-

ment of either or both Car Type then subject to this Lease for an additional period of five years.

(e) Continuation of Lease. If the Lessee shall exercise its right to renew this Lease pursuant to Section 2.1(c) or 2.1(d) hereof, this Lease shall continue in full force and effect.

2.2. Rent. (a) Interim Rent. No rent shall be due from Lessee during the Interim Term.

(b) Basic Rent. Throughout the Basic Term on each date specified in Schedule A to the Rent Agreement, Lessee shall pay to Lessor basic rent ("Basic Rent") in an amount per Unit of Equipment then subject to this Lease equal to the Original Cost of such Unit of Equipment multiplied by the percentage of Original Cost specified in such Schedule A for such date, each such payment to be treated as having been made in arrears; it being understood that such percentages are designed to permit Lessor to recover Transaction Expenses; provided that if the Lessee shall exercise its Special Purchase Option, no Basic Rent shall be due on the Special Purchase Option Date on any Unit of Equipment with respect to which the Lessee exercises such Special Purchase Option.

(c) Fixed Rate Renewal Rent. Throughout the Fixed Rate Renewal Term, Lessee shall pay to Lessor fixed rate renewal rent ("Fixed Rate Renewal Rent") semiannually in arrears on each January 1 and July 1 during such term and on the last day of such term in an amount per Unit of any Car Type with respect to which the Lessee has exercised its right to extend this Lease for a Fixed Rate Renewal Term equal to 50% of the Original Cost of such Unit of Equipment multiplied by the arithmetic average of the percentages of Original Cost specified for all Rental Payment Dates in Schedule A to the Rent Agreement; and such arithmetic average shall be so indicated on such Schedule A.

(d) Fair Market Renewal Rent. Throughout the Fair Market Renewal Term, Lessee shall pay to Lessor fair market renewal rent ("Fair Market Renewal Rent") semiannually in arrears on each January 1 and July 1 during such term and on the last day of such term at the Fair Market Rent of such Units of any Car Type with respect to which the Lessee has exercised its right to extend this Lease for a Fair Market Renewal Term as determined pursuant to Section 10.2(c) hereof.

(e) Supplemental Rent. Anything contained in this Lease or the Participation Agreement to the contrary notwithstanding, on each Rent Payment Date (or other date on which payments are due on the Equipment Trust Certificates) the Lessee shall pay as Supplemental Rent in addition to any other amount of Rent due hereunder that amount along with such other amount of Rent which in the aggregate shall be, under any circumstances and in any event, at least sufficient to pay in full, as of the date of payment thereof, the aggregate principal amount of the due and unpaid installments on the Equipment Trust Certificates outstanding on such date of payment, together with the accrued and unpaid interest on such aggregate principal amount and any premium, including Makewhole Premiums (as defined in the Equipment Trust Agreement), payable on the Equipment Trust Certificates and any costs or expenses to which the Security Trustee or the holders, from time to time, of the Equipment Trust Certificates may be entitled under the Participation Agreement, the Equipment Trust Agreement or the Equipment Trust Certificates other than such costs or expenses arising solely by reason of an Event of Default described under Sections 6.1(c) through (g) of the Equipment Trust Agreement.

The parties hereto contemplate that the Lessor shall (to the extent sufficient funds are received from the Beneficial Owner) be liable for payment of certain obligations under the Equipment Trust Agreement and the Equipment Trust Certificates on the Basic Term Commencement Date and that no payment of Basic Rent shall be due on such date. If the Lessor shall fail to make such payment then the Lessee shall make a payment to the Security Trustee in the amount (the "Advance Amount") of the payment then due under the Equipment Trust Agreement or the Equipment Trust Certificates and such Advance Amount shall be treated as a loan from the Lessee to the Beneficial Owner. Such Advance Amount shall be immediately due and payable by the Beneficial Owner to the Lessee and shall accrue interest from the date such Advance Amount is paid by the Lessee to but not including the date of reimbursement by the Beneficial Owner at a rate per annum equal to 5% plus, as the case may be, (i) the weighted average rate on the Equipment Trust Certificates then outstanding (which on the date hereof is 8.17%) or (ii) 8.17%, if no Equipment Trust Certificates are then outstanding. If at any time an Advance Amount shall be outstanding, the Lessor shall promptly reimburse the Lessee (either out of funds received from the Beneficial Owner or out of funds then due to the Beneficial Owner) to the extent such Advance Amount is not paid directly by the Beneficial Owner.

The Lessee will also pay as Supplemental Rent hereunder on each Rent Payment Date an amount equal to the amount of any interest payment then due and payable (other than an interest payment described in Section 9(e) or 12(a) of the Tax Indemnity Agreement or in the last sentence of Section 7.2(c) hereof) with respect to any Indemnity Loan made pursuant to Section 4(d) of the Tax Indemnity Agreement. The Lessee shall pay (or cause to be paid), promptly to the Lessor or to whomsoever shall be entitled thereto any and all Supplemental Rent constituting Casualty Value or Termination Value as the same shall become due and owing and all other amounts of Supplemental Rent within five days after demand or within such other relevant period as may be provided in any Operative Document. The Lessee shall pay as Supplemental Rent when due any amount of premium payable when due under the Equipment Trust Agreement.

If any Event of Default shall occur and be continuing hereunder or the Security Trustee shall exercise any of its rights with respect thereto, the Lessee will also pay as Supplemental Rent all fees and expenses of the Lessor, its agents and counsel in accordance with the terms of the Trust Agreement (to the extent the same shall not be included in Transaction Expenses), and an amount equal to all damages, costs, charges, and expenses, including attorneys' fees and disbursements, incurred by the Security Trustee or the holders of Equipment Trust Certificates. Nothing herein shall constitute a guaranty of the principal or interest of the Equipment Trust Certificates.

2.3. Method of Payment; Overdue Payments. The Lessee agrees to make each payment provided for herein in accordance with the instructions of the Lessor or any assignee of the Lessor (or in the case of any Supplemental Rent constituting Excluded Interests in accordance with the instructions of the party entitled thereto) in immediately available funds at or prior to 11:00 a.m. in the city where such payments are to be made. If any date of payment is not a Business Day, then payment shall be due on the next succeeding Business Day without interest or penalty.

The Lessee promptly shall pay an amount equal to interest at the rate per annum equal to 1.0% plus, as the case may be, (i) the weighted average rate on the Equipment Trust Certificates then outstanding (which on the date hereof is 8.17%) or (ii) 8.17%, if no Equipment Trust Certificates are then outstanding, on any overdue Rent payments and other obligations hereunder for the period of time during which

they are overdue, or such lesser amount as may be legally enforceable.

2.4. Net Lease. This Lease is a net lease, and the Lessee agrees that its obligations to make payments due hereunder, and the rights of the Lessor and any assignee of the Lessor in and to such payments, are absolute and unconditional and are not subject to any abatement, reduction, set-off, defense, counterclaim or recoupment for any reason whatever, any present or future law, rule or regulation to the contrary notwithstanding. The Lessee also agrees that, except as otherwise expressly provided herein, this Lease will not terminate nor will the Lessee's obligations hereunder be affected for any reason whatever, it being the intention of the parties that all payments due and to become due hereunder are, and shall continue to be, payable in all events unless the obligation to pay the same is expressly terminated pursuant hereto.

SECTION THREE
REPRESENTATIONS AND WARRANTIES

3.1. Representations and Warranties of the Lessee. Other than agreements for the purchase of Equipment by the Lessee from the manufacturers thereof that secure the purchase price thereof (which security interests shall have been discharged in full with respect to each Unit of Equipment when such Unit becomes subject to this Lease), the Lessee represents and warrants that there is no financing statement or similar instrument naming the Lessee as debtor or lessee covering any or all of the Equipment described in Schedule A hereto or filed or recorded in any public office, except this Lease recorded with the Interstate Commerce Commission as provided for herein.

3.2. No Representations by the Lessor. THE LESSOR HAS NOT MADE, AND SHALL NOT BE DEEMED TO HAVE MADE, AND HEREBY EXPRESSLY DISCLAIMS ANY REPRESENTATION OR WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER (EXCEPT AS SET FORTH IN THE PARTICIPATION AGREEMENT), INCLUDING, WITHOUT LIMITATION, THE TITLE TO, THE OPERATION, DESIGN OR CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY OR ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OF ITS MATERIAL OR WORKMANSHIP OR ITS CONFORMITY TO THE SPECIFICATIONS OF ANY PURCHASE ORDERS RELATING THERETO, THE ABSENCE OF LATENT OR OTHER DEFECTS, WHETHER OR NOT DISCOVERABLE, THE ABSENCE OF ANY INFRINGEMENT OF ANY PATENT, TRADEMARK OR COPYRIGHT, OR THE ABSENCE OF OBLIGATIONS BASED ON STRICT

LIABILITY IN TORT, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN LESSOR AND LESSEE, ARE TO BE BORNE BY LESSEE. THE LESSOR SHALL NOT BE LIABLE FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES.

SECTION FOUR
THE EQUIPMENT

4.1. Maintenance. The Lessee shall, at its own cost and expense, maintain and keep, or cause to be maintained and kept, each Unit of Equipment which is subject to this Lease in such condition as the Lessee would, in the prudent management of its own business, maintain and use similar equipment owned by the Lessee, consistent with prudent industry practice but in any case so as to maintain each such Unit in good operating order and repair and in good physical condition, ordinary wear and tear excepted. The Lessee maintains written maintenance procedures for most of the maintenance operations performed on its equipment other than light running repairs. Lessee agrees to endeavor to maintain or cause to be maintained, to the extent it is within its control, each Unit of Equipment subject to this Lease substantially in accordance with such procedures.

4.2. Inspection. The Lessor shall have the right, by its agents, to inspect the Equipment and the records of the Lessee pertaining to the Equipment at any reasonable time, provided that the Lessee shall not be liable, except in the case of negligence or intentional acts, for any injury to any person exercising such right of inspection.

4.3. Compliance with Laws and Rules. The Lessee shall use and maintain each Unit of Equipment in compliance with all applicable laws, government regulations, and standards of the AAR and any other national organization applicable to the use, maintenance and interchange of such Unit ("Applicable Laws"), and shall at its own expense make such alterations to each such Unit as may be required from time to time for such compliance; provided, however, that the Lessee may upon written notice to the Lessor and the Security Trustee, in good faith, contest the validity or application of any such Applicable Laws in any reasonable manner which does not, in the opinion of the Lessor and the Security Trustee, adversely affect the property or rights of the Lessor and the Security Trustee, respectively, under this Lease or under the Equipment Trust Agreement.

4.4. Hypothecation. THE LESSEE SHALL NOT, WITHOUT THE EXPRESS WRITTEN PERMISSION OF THE LESSOR, (a) SELL, TRANSFER, ASSIGN, OR SUBLEASE THE EQUIPMENT OR ANY UNIT THEREOF OR INTEREST THEREIN, OR (b) OTHERWISE PART WITH POSSESSION OR CONTROL OF THE EQUIPMENT OR ANY UNIT except:

(i) to the manufacturer or other maintenance facilities for maintenance, repair, or overhaul, or for modification to the extent permitted hereby;

(ii) pursuant to subleases or car contracts, to sublessees or users incorporated in the United States of America, Canada, or Mexico, upon lines of railroad owned or operated by any railroad company or companies incorporated in such jurisdictions, or over which such railroad companies have trackage rights or rights for the operation of trains, and upon connecting and other carriers in the usual interchange of traffic in North America.

Any such sublease or car contract shall be subject to all of the terms and conditions of this Lease, including return of cars if required at the end of the Lease or any renewal term, and the Lessee shall remain primarily liable for performance of its obligations hereunder. The rights of any such sublessee or user shall be subject to the rights and remedies of the Security Trustee under the Equipment Trust Agreement.

4.5. Accessions and Improvements. All replacement parts installed in maintaining the Equipment or improvements or modifications required for compliance with Section 4.3 hereof shall be considered accessions and ownership thereof shall, upon installation, automatically vest in the Lessor.

The Lessor acknowledges that special devices, racks, automobile-carrying superstructures, and other assemblies may be attached to Units of Equipment and may be owned and financed by persons other than the Lessee, the Lessor, and the Security Trustee. The Lessor expressly acknowledges, for the purpose of assurance of any such persons and for the purpose of inducing attachment of special devices, racks, automobile-carrying superstructures, and other assemblies to the Units of Equipment from time to time, that the Lessor has no rights therein and that such persons may, at their own cost and expense, remove such special devices, racks, automobile-carrying superstructures and assemblies provided that Lessee will be responsible to repair or cause to be

repaired any damage to the Equipment caused by such installations and removal.

The Lessee and its affiliates, sublessees, and users, at their own cost and expense, may from time to time make such other alterations, modifications and additions at any time attached or affixed to any Unit of Equipment, the cost of which is not included in the Original Cost of such Unit and which are not required for the operation or use of such Unit in compliance with Section 4.3 hereof (hereinafter collectively called "Improvements"), as the Lessee or such sublessees or users may deem desirable in the proper conduct of their business so long as such Improvements shall not be inconsistent with the continuing operation of such Units and shall not diminish the useful life, value or utility of such Units below the useful life, value and utility thereof immediately prior to the making of such Improvements, assuming such Units were then in the condition required to be maintained by the terms of this Lease.

4.6. Equipment Identification and Marking. The Lessee shall affix and maintain on each side of each Unit of Equipment: (a) the reporting marks assigned to the Lessee by the AAR, (b) the identification number set forth in Schedule A hereto (or in a Lease Supplement) for such Unit and (c) such other markings as from time to time may be required by law or deemed necessary by the Lessor or the Security Trustee to protect the interests of the Lessor and the Security Trustee in the Equipment.

Except as above provided, the Lessee will not allow the name of any person, association or corporation to be placed on any Unit of Equipment as a designation that might be interpreted as a claim of ownership; provided, that the Lessee may permit the Equipment to be lettered with the names, trademarks, initials or other insignias customarily used by the Lessee on railroad equipment used by it of the same or a similar type for convenience or identification of its rights to use the Equipment under this Lease, and the Equipment may be lettered in an appropriate manner for convenience of identification of the interest of the Lessee therein.

4.7. Recordation and Filing. This Lease or a counterpart or copy hereof or evidence hereof may be filed or recorded in any public office as may be necessary or appropriate to protect the interest of the Lessor or the Security Trustee herein or in the Equipment. The Lessee shall, at its own expense, file and record this Lease, any

assignments hereof and amendments hereto, and the Equipment Trust Agreement pursuant to Section 11303 of Title 49 of the United States Code, and shall execute and file any other instruments requested by the Lessor or the Security Trustee that are necessary or appropriate to protect and preserve such interests in the United States. The Lessee shall additionally be required to deposit the Lease with the Registrar General of Canada (and notice of such deposit shall be given forthwith in The Canada Gazette) pursuant to Section 90 of the Railway Act of Canada. The Lessee shall not be required to take any such action in respect of any jurisdiction outside the United States if (1) the Lessee deems such action to be unduly burdensome, (2) after giving effect to the failure to take such action, the Lessee has taken all action required by law to protect the interest of the Lessor or the Security Trustee in Units of Equipment having an Original Cost of not less than 85% of the aggregate Original Cost of all the Units of Equipment then subject to this Lease, and (3) any Unit of Equipment at any time located in such jurisdiction shall have been marked with the markings specified in Section 4.6 hereof.

4.8. Insurance. The Lessee shall at all times while this Lease is in effect cause to be carried and maintained public liability insurance in an amount and against risks customarily insured against by the Lessee with respect to similar equipment owned or leased by the Lessee. Any such policy shall (i) name the Lessor, both in its individual and trust capacity, the Beneficial Owner and the Security Trustee as additional insureds, as their respective interests may appear, (ii) not require premiums, commissions or assessments from any additional insured, (iii) not require contribution from any other insurance coverage purchased by any additional insured and (iv) provide that no cancellation or material change shall be effective as to any insured until at least 30 days after the Lessor's, the Beneficial Owner's and the Security Trustee's receipt of written notice thereof. Any property insurance policy relating to the Equipment shall contain a standard mortgage loss payable clause in favor of the Security Trustee for the benefit of the holders of the Certificates.

On or before October 1 in each year during the term of this Lease, commencing October 1, 1993, the Lessee shall furnish to the Lessor and the Security Trustee appropriate evidence of the insurance required to be maintained hereunder.

The Lessor, the Beneficial Owner, the Security Trustee and the holders of Equipment Trust Certificates shall each have the right to maintain at its expense any casualty insurance on the Equipment for the purpose of protecting the fair value of the Units, provided that such casualty insurance would not in any way impair any insurance maintained by the Lessee. The parties hereto shall cooperate with each other to effectuate the purposes of the preceding sentence.

4.9. Return of Units. Upon the expiration or early termination of this Lease, the Lessee shall have undertaken, at its own expense and risk, the assembling of the Units of Equipment at not more than three locations (which may be facilities of the Lessee or other railroad storage facilities arranged by the Lessee) designated by the Lessee and reasonably satisfactory to the Lessor ("Storage Facilities"), and there store the Units of Equipment for a period not to exceed ninety (90) days after the expiration of this Lease, and deliver the Units of Equipment to carriers for shipment at the instruction of the Lessor.

Each Unit returned to the Lessor pursuant to this Section 4.9 shall be in the condition required by Sections 4.1, 4.3 and 4.10 hereof.

Not less than 30 days prior to the expiration of this Lease, the Lessee shall notify the Lessor of the locations to which the Units of Equipment are to be delivered pursuant to this Section. The Lessor or any person designated by the Lessor may then and there inspect the Equipment, but the Lessee shall not be liable, except in the case of negligence or intentional acts, for any injury to any person exercising such right of inspection. If any Unit of the Equipment is found not conforming to the requirements of this Section, the Lessee shall make such repairs as are necessary for such conformance.

If any Unit of Equipment shall not be delivered into storage as required hereby or shall not be in the condition required upon such return at the expiration of this Lease, the Lessee shall pay to the Lessor daily rent for each day thereafter to the date such Unit is returned or restored to the condition required, as the case may be (or payment made in respect of any such Unit deemed to have suffered a Casualty Occurrence in accordance with Section 6.3 hereof). Such daily rent shall be 50% of the daily equivalent of the average annual rent (excluding Supplemental Rent) payable over the original term of this Lease in respect of such Unit.

4.10. Encumbrances. The Lessee shall not create or permit to exist any claims, liens, security interests, or other encumbrances of any nature upon or against the Equipment other than Permitted Liens, and the Lessee shall take such action at its own expense as may be necessary to duly discharge any such encumbrance.

SECTION FIVE
COVENANTS

5.1. Reports. The Lessee shall furnish to the Lessor, the Beneficial Owner, the Security Trustee, and each holder of Equipment Trust Certificates issued under the Equipment Trust Agreement:

(a) as soon as available, and in any event within 60 days after the end of the first, second and third quarterly accounting periods in each fiscal year, a copy of the unaudited Balance Sheets of the Lessee (consolidated and Lessee only) as of the end of such quarterly accounting period and as of the end of the prior fiscal year and of the Statements of Income and Statements of Cash Flows of the Lessee (consolidated and Lessee only) for the portion of its fiscal year ending with the last day of such current quarterly accounting period and for the comparable period of the prior fiscal year, all in reasonable detail and prepared in accordance with generally accepted accounting principles consistently applied, certified by the Chief Financial Officer or Controller of the Lessee;

(b) as soon as available, and in any event within 120 days after the end of each fiscal year, a copy of the Balance Sheets of the Lessee (consolidated and Lessee only) as at the end of such fiscal year, and the Statements of Income and Statements of Cash Flows of the Lessee (consolidated and Lessee only) for such fiscal year, all in reasonable detail and stating in comparative form the figures as of the end of and for the previous fiscal year, certified by a firm of nationally recognized independent certified public accountants selected by the Lessee;

(c) a copy of each report, if any, filed by the Lessee pursuant to the Securities and Exchange Act of 1934 (which reports, if containing the

financial statements referred to in clauses (a) and (b), may be delivered in substitution for the financial statements referred to in such clauses);

(d) within the period set forth in (b) above, an Officer's Certificate of the Lessee (i) setting forth the identifying numbers of each Unit of Equipment then subject to this Lease, (ii) identifying those Units of Equipment that have suffered a Casualty Occurrence since the date of the last such certificate and (iii) stating that such officer has reviewed the activities of the Lessee and that, to the best of his knowledge, there exists no Default;

(e) written notice specifying any condition which constitutes a Default hereunder, and the nature and status thereof, within 10 Business Days of any responsible officer of the Lessee acquiring actual knowledge thereof unless such Default shall have been cured within such 10 Business Day period; for purposes hereof, "responsible officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee, any corporate official of the Lessee who in the normal performance of his duties or responsibilities would have knowledge of such matter and the requirements of this Lease with respect thereto;

(f) from time to time, such other information regarding the Equipment, this Lease or the Lessee as the Lessor or the Security Trustee shall reasonably request; and

(g) from time to time, the Lessee will permit the Equity Participant and the Debt Participants, through their authorized representatives, to visit its offices during normal business hours and upon reasonable notice and to discuss its finances and affairs with responsible officers of the Lessee, at such participants' own expense.

In addition, at any time the Company is not subject to Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Company will provide at its expense to any holder of, and any prospective purchaser of, any Equipment Trust Certificate that is required pursuant to Section 3.4 of the Equipment Trust Agreement to bear a private placement legend,

information satisfying the requirements of subsection (d)(4)(i) of Rule 144A under the Securities Act of 1933, as amended.

5.2. Quiet Possession. If and so long as there is no Event of Default by the Lessee hereunder, the Lessee shall be entitled to the use and possession of the Equipment according to the terms hereof without interference by the Lessor or by any party lawfully claiming by or through the Lessor; provided that Lessee's rights for breach hereunder shall not include abatement of Rent or termination of this Lease.

The Lessor shall not directly or indirectly suffer to exist any claim, lien, encumbrance, or security interest on or with respect to the Equipment resulting from claims against the Lessor not relating to the ownership or leasing of the Equipment or the financing thereof contemplated by the Equipment Trust Agreement.

SECTION SIX
LOSS OR DESTRUCTION

6.1. Risk of Loss. The Lessee bears the entire risk of loss of or damage to each Unit of Equipment from the time the Lessor shall have become obligated to purchase such Unit pursuant to the provisions hereof, through the term of this Lease and the period of storage specified in Section 4.9 hereof, unless the Lessor or a party designated by the Lessor shall have recovered possession of such Unit prior thereto.

6.2. Insurance; Warranty, and Other Proceeds. All net proceeds of and recoveries from insurance, manufacturers' or dealers' warranty settlements, payments and compensation from taking or requisitioning authorities, sale or disposition in accordance with Section 6.4, or similar payments from other parties in respect of loss of or damage to any Unit of Equipment, whether received by the Lessor or the Lessee, and whether or not such loss or damage shall be regarded as a Casualty Occurrence under the next Section, shall be paid to the Lessor, except the following, which shall be paid to the Lessee unless an Event of Default shall have occurred and shall be continuing:

(a) damages or compensation for the Lessee's business interruption, loss of use of any Unit of Equipment, consequential or incidental damages, or any other claim not based upon the reduction in

value of a Unit of Equipment as a result of a Casualty Occurrence;

(b) interline settlements due or paid to the Lessee in respect of any Unit of the Equipment under the rules of the AAR, and other payments for damage to any Unit of Equipment, if the Lessee shall repair such damage or make payment in respect of the loss of such Unit pursuant to the next section; and

(c) such other proceeds as are attributable to a Casualty Occurrence with respect to any Unit of Equipment, up to the amount of the Casualty Value previously paid by the Lessee in respect of such Unit pursuant to the next section.

6.3. Casualty Loss. If any Unit of the Equipment, prior to the return of such Unit to the Lessor, shall be or become worn out, lost, stolen, destroyed, rendered permanently unfit for the intended use, or irreparably damaged, from any cause whatsoever, returned to the manufacturer pursuant to any patent indemnity or warranty settlement, or taken or requisitioned by condemnation or otherwise by any government agency resulting in loss of possession by the Lessee for a period of 90 consecutive days (any such occurrence being herein called a "Casualty Occurrence"), the Lessee shall, within 60 days of having determined that any such Unit has suffered a Casualty Occurrence, fully notify the Lessor and the Security Trustee with respect thereto. On the Rent Payment Date (or other date on which payments are due on the Equipment Trust Certificates) next succeeding such notice (unless such Rent Payment Date occurs within 30 days of such Casualty Occurrence, in which case the next following Rent Payment Date) the Lessee shall pay to the Lessor an amount equal to any arrears Rent due in respect of such Unit plus the Casualty Value of such Unit as of the date of such payment, reduced by any proceeds received by the Lessor pursuant to Section 6.2 hereof. If such Casualty Occurrence occurs within 30 days of the expiration of this Lease, or thereafter, such payment shall be made within 30 days of such Casualty Occurrence.

Upon the making of such payment by the Lessee in respect of any Unit of Equipment, the rent for such Unit shall cease to accrue, this Lease shall terminate with respect to such Unit, and (except in the case of the loss,

theft, complete destruction, or the return to the manufacturer of such Unit) the Lessor shall be entitled to recover possession of such Unit.

6.4. Equipment Disposition. The Lessor hereby appoints the Lessee its agent to dispose of any Unit of the Equipment suffering a Casualty Occurrence, at the best price obtainable on an "as is, where is" basis, and the Lessee agrees to use its best efforts to effect such disposition and to provide any reasonable information regarding such disposition. Any proceeds thereof shall be distributed in accordance with Section 6.2 hereof.

SECTION SEVEN
INDEMNITIES

7.1. General Indemnity. Whether or not any Unit is accepted under this Lease, or a Settlement Date occurs with respect thereto, the Lessee shall indemnify, defend and hold the Lessor (both in its individual and trust capacity), the Beneficial Owner, the Security Trustee, all holders of Equipment Trust Certificates issued under the Equipment Trust Agreement, their successors and assigns and their respective directors, officers, agents and employees (any of the foregoing being hereinafter referred to as an "Indemnified Party") harmless on an After-Tax Basis from and against any and all liabilities, losses, damages, injuries, penalties, claims, demands, actions, suits, costs, expenses, and obligations of whatsoever kind or nature, including reasonable attorney's fees (collectively called "Expenses"), including but not limited to any of the foregoing arising out of or imposed on the basis of negligence or by the doctrine of strict or absolute liability or liability in tort or any statute, law or regulation imposing liability on owners of property, which directly or indirectly result from or arise out of or are alleged to result from or arise out of (whether or not the Indemnified Party is indemnified as to such Expense by any other person or entity):

(i) this Lease or any other Operative Document or any of the transactions contemplated hereby or thereby or any Unit or the manufacture, ordering, purchase, acceptance, rejection, lease, sublease, ownership, delivery, nondelivery, maintenance, sale, possession, operation, use, non-use, modification, improvement, abandonment, substitution, control, repair, storage, alteration, servicing, replacement, transfer or other application or disposition, return, overhaul, testing or registra-

tion of any Unit (including, without limitation, injury, death or property damage of passengers, shippers or others, and environmental control, noise and pollution regulation, and the discharge, spillage, release or escape of hazardous substances or damage to the environment (including, without limitation, clean-up costs, response costs, costs of corrective actions and natural resource damages) and any of the commodities, items or materials from time to time contained in any Unit);

(ii) the construction, manufacture, financing, refinancing, design or condition of any Unit or by the inadequacy of any Unit or deficiency or defect in any Unit (including, without limitation, latent and other defects, whether or not discoverable, and any claim for patent, trademark or copyright infringement) or any other circumstances in connection with any Unit or the performance of any Unit or any risks relating thereto or any interruption of service, loss of business or anticipated profits or consequential damages;

(iii) any act or omission of (whether negligent or otherwise) or any breach of or failure to perform or observe, or any other non-compliance with, any covenant, condition or agreement to be performed by, or other obligation of, Lessee under any of the Operative Documents, or the falsity of any representation or warranty of the Lessee in any of the Operative Documents or in any document or certificate delivered in connection therewith; and

(iv) the offer, sale or delivery of the Equipment Trust Certificates, or the initial offer of any interest in the Trust Estate under the Trust Agreement, or by operation of law,

except to the extent any of the foregoing may arise due to the willful misconduct or gross negligence of the party seeking indemnity (other than gross negligence or willful misconduct imputed as a matter of law to such Indemnified Party solely by reason of its interest in the Equipment); provided that no indemnity shall be provided under this Section 7.1 with respect to Taxes as defined in Section 7.2 hereof or with respect to matters governed by the Tax Indemnity Agreement; provided further that no indemnity shall be provided under this Section 7.1 with respect to matters with respect to Units of Equipment after they are returned to

Lessor in compliance with Section 4.9 hereof unless such indemnity arises from acts or events occurring on or prior to the date of return (it being understood that, so long as any Unit is in storage as provided in Section 4.9, the date of return thereof for the purposes of this proviso shall be the last day of the storage period). The willful misconduct or gross negligence of any Indemnified Party shall not affect the rights of any other Indemnified Party. Upon written notice by any Indemnified Party of the assertion of any such liability, loss, damage, injury, penalty, claim, demand, action, suit, cost, expense or obligation, the Lessee shall be entitled, at its sole cost and expense, acting through counsel selected by the Lessee and reasonably acceptable to the respective Indemnified Party, (i) in any judicial or administrative proceeding that involves solely a claim for one or more Expenses, to assume responsibility for and control of such proceeding, (ii) in any judicial or administrative proceeding involving a claim for one or more Expenses and other claims related or unrelated to the transactions contemplated by the Operative Documents, to assume responsibility for and control of such claim for Expenses to the extent that the same may be and is severed from such other claims, and (iii) in any other case, to be consulted by such Indemnified Party with respect to judicial proceedings subject to the control of such Indemnified Party, provided that the Lessee shall pay all fees and expenses of the Indemnified Party when and as incurred. Notwithstanding any of the foregoing to the contrary, the Lessee shall not be entitled to assume responsibility for and control of any such judicial or administrative proceeding (1) while a Default relating to Section 8.1(e) or (f) hereof or an Event of Default shall have occurred and be continuing, (2) if such proceedings will involve the sale, forfeiture or loss of, or the creation of any lien, charge or other encumbrance on the Equipment, the Collateral (as such term is defined in the Equipment Trust Agreement), any Excluded Interest or any part thereof unless such sale, forfeiture or loss shall effectively be stayed or the Lessee shall have furnished sufficient security to protect the Lessor and the Security Trustee against loss of the Unit subject thereto, (3) in the good faith opinion of such Indemnified Party, there exists an actual or potential conflict of interest such that such Indemnified Party should retain control of such proceeding or (4) such claims or liability involves the possibility of criminal sanctions or liability to such Indemnified Party. In the circumstances described in clauses (1)-(4), the Indemnified Party shall be entitled to control and assume responsibility for the defense of such claim or Expense at the expense of the Lessee. In addition, any Indemnified Party may participate in any

proceeding controlled by the Lessee pursuant to this Section 7.1, at its own expense in respect of any such proceeding as to which the Lessee shall have acknowledged in writing its obligation to indemnify the Indemnified Party pursuant to this Section 7.1, and at the expense of Lessee in respect of any such proceeding as to which the Lessee shall not have so acknowledged its obligation to the Indemnified Party pursuant to this Section 7.1. Lessee may in any event participate in all such proceedings at its own cost. Nothing contained in this Section 7.1 shall be deemed to require an Indemnified Party to contest any claim or expense or to assume responsibility for or control of any judicial proceeding with respect thereto. Nothing herein shall constitute a guaranty of the principal or interest of the Equipment Trust Certificates.

Upon payment of the applicable Expense, the Lessee shall be subrogated to the rights of any Indemnified Party in respect of the matter for which the indemnity has been given.

7.2. General Tax Indemnity.

(a) The Lessee agrees to pay, and to indemnify and hold harmless any Indemnified Party from, all taxes, assessments, levies, imposts, fees and charges of any nature whatsoever, together with any penalties, fines, additions to tax or interest thereon, howsoever imposed, whether levied or imposed upon any such Indemnified Party or otherwise, by any federal, state or local government or governmental subdivision in the United States, or any territory or possession of the United States, or by any foreign country or subdivision thereof, upon or with respect to: any Unit of Equipment; the manufacture, purchase, financing, refinancing, ownership, delivery, leasing, subleasing, possession, use, maintenance, repair, modification, improvement, location, operation, transfer of title, sale, registration, reregistration, substitution, insuring, transfer of registration, return or other disposition thereof or the imposition of any Lien (or the incurrence of any liability to refund or pay over any amount as the result of any Lien) on any such Unit of Equipment; the rentals, receipts or earnings arising therefrom; or this Lease, the Equipment Trust Agreement, the Participation Agreement or any of the other Operative Documents; any payment made pursuant to any such agreement, or the property, the income or other proceeds received with respect to property held in trust by the Lessor or the Security Trustee under the Equipment Trust Agreement; or otherwise with respect to or in connection with the transactions contemplated by the Operative Documents (all such

taxes, assessments, fees, charges, penalties, fines, additions to tax and interest imposed as aforesaid being hereinafter called "Taxes") (it being understood that, except as provided below, the Lessee shall not be required to pay any Taxes during the period it may be contesting the same in the manner provided in Section 7.2(b)) <u>excluding</u>, <u>however</u>:

(i) (a) any Taxes of the United States or of any state or political subdivision thereof, imposed on or measured by the gross receipts, net receipts or gross or net income (including, without limitation, capital gains taxes, alternative minimum taxes and taxes measured by tax preference items or excess profits) or Taxes that are franchise or doing business taxes or Taxes on or measured by capital, stock value, intangibles or net worth or other status, but excluding any Taxes in the nature of sales and use taxes ("Income Taxes") and (b) any Income Taxes imposed by a foreign jurisdiction or political subdivision thereof ("Foreign Income Taxes"), other than Foreign Income Taxes imposed by a jurisdiction in which (i) such Indemnified Party is not otherwise present, and (ii) the power to tax is based exclusively by reason of the use of the Equipment by a Lessee Person in the jurisdiction imposing the Foreign Income Tax;

instruct the appraiser not to reflect in the fair market value of the Equipment any adjustment for transfer taxes to the extent such transfer taxes have already been taken into account in the comparable sales values or other such value information used by the appraiser in establishing such fair market value

(ii) any Taxes imposed as a direct result of any disposition or transfer by such Indemnified Party (including a transfer under Section 338 of the Code if applicable or any similar provision of state or local income tax law that may be applicable), of any interest in a Unit of Equipment, the Equipment Trust Certificates, any interest in rentals under the Lease, or any such Indemnified Party's rights or obligations under the Operative Documents, in each case excluding any transfers occurring (A) pursuant to Section 10.1, 10.2(a) (provided that the parties agree to use good faith efforts to ~~insure the Lessee is not, on an economic basis, subject to Taxes indemnified hereunder more than once~~) or 10.2(b) hereof or as a result of a Casualty Occurrence, or (B) pursuant to the exercise of remedies under any Operative Document while an Event of Default hereunder has occurred and is continuing;

(iii) in the case of the Lessor or the Security Trustee, any Taxes imposed on or measured by any fees received by the Lessor or the Security Trustee;

(iv) in the case of any Indemnified Party, any Taxes if and to the extent that such Taxes are in substitution for or reduce Taxes payable by such Indemnified Party which the Lessee has not agreed to pay or indemnify against pursuant to this Section 7.2;

(v) any Taxes imposed on any Indemnified Party resulting directly from the gross negligence or willful misconduct of such Indemnified Party;

(vi) any Taxes imposed with respect to events occurring or matters arising after the later of (A) the return of possession of the Equipment to the Lessor pursuant to the terms hereof, or (B) the expiration or earlier termination of the term of the Lease and the payment of all Basic Rent hereunder; provided, however, that this exclusion (vi) shall not apply to Taxes relating to events occurring or matters arising prior to or simultaneously with such return of possession or, if no such return is made, the expiration or earlier termination of the term hereof and payment of all Basic Rent due hereunder;

(vii) any Taxes which are included in Original Cost, provided that such Taxes have been remitted to the proper taxing authorities;

(viii) any Taxes which are imposed on any Indemnified Party to the extent resulting directly from the failure to perform any requirement imposed with respect to any return otherwise required to be filed by any such Indemnified Party (or any of its affiliates) without regard to the transactions contemplated by the Operative Documents (including in connection with the preparation or filing of tax returns, the payment of its taxes or the conduct of any proceeding in respect thereof), except to the extent attributable to the failure of the Lessee to perform its duties and responsibilities pursuant to this Section 7.2;

(ix) the amount of any Taxes imposed on any Indemnified Party to the extent such Taxes would not have been imposed but for the failure of any such person to file timely and properly any return or any form, certificate or other document which would have entitled any Indemnified Party to an exemption from, or a reduction in, a Tax indemnified under this Section 7.2, or other tax benefit with respect to such Tax to the extent such benefit, had it been available, would have been taken

into account in determining any indemnity payable under this Section 7.2, except to the extent attributable to the failure of the Lessee to perform its duties and responsibilities pursuant to this Section 7.2 or to provide reasonable notice of the requirement of filing such return, form, certificate or other document;

(x) any Taxes (A) to the extent such Taxes would have been imposed on an Indemnified Party even if it had not engaged in activities related to the transactions contemplated by the Operative Documents, or (B) to the extent such Taxes would not have been imposed but for a breach by any Indemnified Party of any of its representations, warranties, duties and obligations under any of the Operative Documents to which it is a party;

(xi) any Taxes for which the Lessee has actually and fully paid or reimbursed, in accordance with the terms of any of the Operative Documents, the Indemnified Party entitled to payment under this Section 7.2; and

(xii) penalties, interest or additions to tax (A) relating to estimated tax, or (B) to the extent resulting from Taxes which are not indemnifiable hereunder (provided, however, that this exclusion (xii) shall not apply to the pro rata portion of any penalties interest or additions attributable to Taxes indemnifiable hereunder, computed on the basis of the relative contribution of such Taxes to the penalties, interest or additions to tax).

(b) Except as provided herein, the Lessee shall pay all Taxes subject to indemnification under this Section 7.2 for which it is required to file a return prior to the latest time permitted by the relevant taxing authority for timely payment. In the case of a Tax subject to indemnification under this Section 7.2 for which the Lessee is required to file a return, when the Lessee resists payment and while the Lessee is contesting such Tax in accordance with this Section 7.2, the Lessee shall pay such Tax (in the amount finally determined to be owing in such contest) prior to the latest time permitted by the relevant taxing authority for timely payment after a Final Determination (as defined below). In the case of a Tax subject to indemnification under this Section 7.2 for which no return is required to be filed by the Lessee, the Lessee shall pay such Tax to the appropriate Indemnified Party within 15 days after receipt of a demand in writing that specifies in reasonable detail the

payment and the facts upon which the right to payment is based, but not prior to the later of (i) 15 days before the due date (ignoring extensions of time) for payment of such Tax by the Indemnified Party, and (ii) in the case of a Tax whose payment is being contested in accordance with this Section 7.2, a Final Determination (which shall mean (i) a decision, judgment, decree or other order by any court of competent jurisdiction that resolves the matter, which decision, judgment, decree or other order has become final (i.e., the earliest of when all allowable appeals required hereunder have been exhausted by either party to the action or the time for filing any such required appeal has expired), (ii) a closing agreement entered into under Section 7121 of the Code (or any successor provision) or any other settlement agreement entered into in connection with the administrative or judicial proceedings, in any case with the Lessee's consent, or (iii) the expiration of the time for instituting an initial suit with respect to a claimed deficiency or for instituting a claim for refund, or, if a refund claim was filed, the expiration of the time for instituting suit with respect thereto).

(c) If any written claim is made against any Indemnified Party for any Taxes indemnified against under this Section 7.2, such Indemnified Party shall promptly notify the Lessee, (provided, without limiting the damage remedies of the Lessee to the extent available at law if such Indemnitee fails to give prompt notice of such claim, that the failure to so provide notice shall not extinguish the Lessee's obligations with respect to such claim hereunder unless such failure precludes the contest of such claim) If reasonably requested by the Lessee in writing within 30 days of receipt of such notice, such Indemnified Party shall, upon receipt of indemnity satisfactory to it for all costs and expenses (it being understood that if an Event of Default has occurred and is continuing, such indemnity shall include the provision of security reasonably acceptable to the Indemnified Party with respect to such costs and expenses and the Lessee's obligations under this Section 7.2, should the contest prove unsuccessful or be discontinued) and at the expense of the Lessee (it being understood that such indemnity is not intended to expand the scope of Lessee's indemnification obligations with respect to liabilities specifically dealt with in this Section 7.2), contest in good faith the validity, applicability or amount of such Taxes by (a) resisting payment thereof if possible, (b) not paying the same except under protest, if protest is necessary and proper, or (c) if payment is made, using reasonable efforts to obtain a refund thereof in appropriate administrative or

judicial proceedings, or both; provided, however, that such contest shall be required or continued only so long as and provided that:

(A) if the claim involves any material risk of forfeiture or loss of the Equipment or any portion thereof, security reasonably satisfactory to the Owner Trustee and the Security Trustee shall have been provided;

(B) the Indemnified Party shall have received, at the Lessee's sole expense, a written opinion of tax counsel chosen by the Lessee and reasonably acceptable to the Indemnified Party ("Lessee's Counsel") to the effect that in contesting such claim, the Indemnified Party would be taking a position that is warranted in existing law or that could be supported by a good faith argument for the extension, modification, or reversal of existing law, and is one with respect to which there is a realistic possibility of success if the matter is litigated (a "Reasonable Basis Opinion");

(C) the subject of the claim is not the same as the subject of a claim which was previously decided adversely pursuant to the contest provisions of this Section 7.2(c) in the same jurisdiction, unless the Indemnified Party shall have received, at the Lessee's sole expense, a written opinion of Lessee's Counsel to the effect that it is more likely than not that the Indemnified Party will prevail in such contest;

(D) no appeal of any adverse decision with respect to such contest shall be allowed unless the Lessee shall have requested such appeal in writing and shall, at its sole expense, have provided the Indemnified Party with an opinion of Lessee's Counsel to the effect that there exists a substantial basis for the position to be asserted on appeal;

(E) in no event shall an appeal to the U.S. Supreme court be required; and

(F) if such contest shall require payment of the claim, the Lessee shall have advanced the amount of such payment plus (to the extent indemnified under Section 7.2(a)) interest, penalties and additions to tax with respect thereto to such Indemnified Party on an interest-bearing basis in accordance with the next sentence of this Section 7.2(c).

Each advance referred to in clause (F) above shall bear interest at the rate, and shall be payable at the times, specified for Indemnity Loans under Section 5(d)(iii) of the Tax Indemnity Agreement. On the day that is the earlier of (i) fifteen years after the Lessee advances funds to the Indemnified Party pursuant to this Section 7.2(c) or (ii) 90 days after a Final Determination of the liability of the Indemnified Party for Taxes with respect to which indemnification is required pursuant to this Section 7.2, the Indemnified Party shall repay to the Lessee any such advance and any payment previously made with respect to such Taxes, in each case unless (and except to the extent) previously repaid, applied or offset pursuant to this Section 7.2, together with any interest to which the Indemnified Party is entitled in respect of such advances or payments. Within 90 days after such a Final Determination, the Lessee shall pay to the Indemnified Party the amount then due pursuant to the terms of this Section 7.2. Any advance shall be repaid first by offset against any indemnification payment then due and payable hereunder and any indemnification payment then due and payable hereunder shall be paid first by offset against any advance then due and repayable. Any payment owing to the Lessee in excess of the amounts so offset and any indemnification owing in excess of the amount offset against the advance shall be paid in cash at such time. Any interest received by the Indemnified Party or credited to the Indemnified Party against an amount not indemnifiable hereunder and attributable to a payment by the Indemnified Party to a taxing authority with respect to which an advance hereunder was made shall be paid to the Lessee within 30 days of such receipt or credit. In the case of any contest involving only Taxes for which the Lessee is liable hereunder, and provided that the Indemnified Party is not concurrently contesting issues of a substantially similar nature with the taxing jurisdiction involved in such contest, the Lessee may also (with the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld) contest, at its own expense, the validity, applicability or amount of such Taxes in the name of such Indemnified Party; provided that no proceeding or action relating to such contest shall be commenced (nor shall any pleading, motion, brief or other paper, be submitted or filed in the name of such Indemnified Party in any such proceeding or action) without first providing such Indemnified Party with notice thereof. In the case of any contest brought by the Lessee in accordance with the preceding sentence, the Indemnified Party shall cooperate with the Lessee by, at the Lessee's cost, providing to the Lessee all documents, reports and other information relevant thereto. An Indemnified Party will in good faith consult

with the Lessee and its counsel regarding the conduct of any administrative or judicial contest and will not enter into any settlement or compromise with respect to any Tax that such Indemnified Party is required to contest without the Lessee's prior written approval unless the Indemnified Party waives its right to indemnification with respect to such Tax. In the event the Indemnified Party (i) effects a settlement or compromise of any such contest or otherwise terminates any such contest without such prior written consent of the Lessee, or (ii) waives its right to indemnification hereunder with respect to the issues raised in such contest, such Indemnified Party (a) shall have no right to indemnity under this Section 7.2 with respect to such Tax (and any related claim and any claim and any related claim made by a taxing authority with respect to other taxable years that is based, in substantial part, on the resolution of such claim or such related claim, the contest of which is materially prejudiced by the resolution of such proposed adjustment), and (b) shall pay to the Lessee any amount previously paid or advanced by the Lessee pursuant to this Section 7.2 with respect to such Tax (or such other claim), plus interest at the then-applicable overpayment rate prescribed by Section 6621 of the Code.

(d) If in the course of a contest the appropriate taxing authority shall advise the Indemnified Party that it is willing to agree to a settlement of such claim, the Indemnified Party shall notify the Lessee of such settlement proposal. In addition, if in the course of a contest the Lessee believes that the appropriate taxing authority might compromise a proposed adjustment, the Lessee shall advise the Indemnified Party of the terms of the settlement proposal that the Lessee is then willing to make, and upon receipt of such notice the Indemnified Party will explore such settlement proposal with the appropriate taxing authority. If, in either case, a settlement proposal relates solely to Taxes for which the Lessee is liable hereunder and is acceptable to both the Lessee and the taxing authority, the Indemnified Party shall agree to the settlement proposal; provided, however, that the Indemnified Party shall not be obligated to formally propose or agree to a settlement if the Indemnified Party agrees that the amount of any Taxes in respect of such proposed claim and all future related claims that the Lessee shall be required to indemnify against to the Indemnified Party shall not exceed the amount of such Taxes which would have been required if the settlement proposal had been made and accepted and the underlying basis of such proposal applied to all future claims of the same nature.

(e) Any payment which the Lessee shall be required to make to or for the account of any Indemnified Party with respect to any Tax which is subject to indemnification under this Section 7.2 shall (A) reflect any current permanent savings of such Indemnified Party resulting by way of deductions, credits or other tax benefits attributable to the payment (or accrual) of such indemnified Tax unless such deduction or credit or other tax benefit was taken into account in computing the payment which the Lessee is required to make with respect to any Tax which is subject to indemnification under this Section by way of a deduction or credit against such Tax and (B) be made on an After-Tax Basis. If, by reason of any Tax payment made to or for the account of an Indemnified Party by the Lessee pursuant to this Section 7.2, such Indemnified Party currently or subsequently receives a refund (or any amount representing interest thereon), or realizes a tax benefit, savings, deduction or credit (including foreign tax credit) not previously taken into account in computing such payment, such Indemnified Party shall promptly pay to the Lessee an amount equal to the sum of (I) the net reduction in Taxes, if any, realized by such Indemnified Party which is attributable to such deduction or credit (or, if applicable, the amount of such refund or interest net of expenses) and (II) the reduction in any federal, state or local taxes actually realized by such Indemnified Party as the result of any payment made by such Indemnified Party pursuant to this sentence. For purposes of the preceding sentence, items of tax credit of any Indemnified Party shall be deemed to be utilized by such Indemnified Party as credits for Tax purposes for any taxable year in accordance with the following priorities:

First, all available credits other than those described in the next two clauses of this sentence;

Second, any credits attributable to any tax payment made to or for the account of such Indemnified Party pursuant to this Section 7.2 on a pari passu basis with all available credits attributable to any transaction entered into by such Indemnified Party for which such Indemnified Party was indemnified or held harmless by anyone in such transaction, other than a transaction described in the next clause of this sentence; and

Third, all available credits attributable to any transaction entered into by such Indemnified Party for which such Indemnified Party was indemnified or held harmless by anyone in such transaction and in which the credit ordering rules applicable to such indemnification

effectively provide that credits attributable to such transaction shall be taken into account last, or otherwise after credits attributable to this transaction.

(f) In case any report or return is required to be made with respect to any obligation of the Lessee under this Section 7.2 or arising out of this Section 7.2, the Lessee shall make such report or return. All costs and expenses (including legal and accountants' fees) of preparing any such return or report shall be borne by the Lessee. If an Indemnified Party obtains actual knowledge that a taxing authority has made a claim for payment of any Tax subject to indemnification hereunder, it shall promptly so notify the Lessee, shall furnish the Lessee with copies of the relevant portions of all written communications from any taxing authority relating to such tax, and, if a contest of such Tax would involve only Taxes for which the Lessee is liable hereunder, and if requested by the Lessee, shall request such taxing authority to contact the Lessee regarding such information relating to the transactions contemplated by the Operative Documents.

(g) All the obligations of the Lessee and each Indemnified Party under this Section 7.2 shall survive and continue, notwithstanding termination of this Lease. All amounts payable by the Lessee pursuant to this Section 7.2 shall be payable directly to the Indemnified Party entitled to indemnification, except to the extent paid to a governmental agency or taxing authority.

(h) The Lessee shall furnish promptly, upon request, such information and data as are normally available to the Lessee and which the Security Trustee or the Beneficial Owner reasonably may require to permit compliance with the requirements of any taxing authorities. The Lessee shall use good faith efforts to obtain official receipts indicating the payment of any Tax which is subject to indemnification under this Section 7.2 and has been paid by the Lessee and shall promptly send to the applicable Indemnified Party each such receipt obtained by the Lessee; provided that this sentence shall only apply to receipts for Taxes specifically identified in a written request for such receipts from the applicable Indemnified Party.

(i) If on the date any payment (other than the repayment pursuant to the fourth sentence of Section 7.2(c) hereto of an amount previously paid or advanced to on behalf of an Indemnified Party) is required to be made by either party under this Section 7.2, there shall have

occurred and be continuing an Event of Default with respect to the obligations of the payee hereunder, then such payment shall not be required unless and until the payee shall have cured such Event of Default, at which time such payment shall include interest calculated at the then-applicable overpayment rate prescribed under Section 6621 of the Code from the date such payment would have been made in the absence of such Event of Default to the date such payment is actually made.

(j) Any assignment by any Indemnified Party of this Lease or any of the other Operative Documents or any transfer of the stock of the Beneficial Owner or of any direct or indirect parent of the Beneficial Owner shall not reduce the rights nor increase the obligations of the Lessee hereunder.

(k) For purposes of this Section 7.2, the term "Indemnified Party" shall include (i) any affiliated group of which the Indemnified Party is, or may become, a member, and each member of such affiliated group, if consolidated, joint or combined returns are filed for such affiliated group for federal, state or local income tax purposes and (ii) any assignee or transferee of the Indemnified Party, and any affiliated group or member of an affiliated group of which such assignee or transferee is or may become a member, if consolidated, joint or combined returns are filed for such affiliated group for federal, state or local income tax purposes. The Indemnified Party undertakes on behalf of such other members of its affiliated group to perform or cause to be performed all obligations of such affiliated group hereunder.

SECTION EIGHT
DEFAULTS AND REMEDIES

8.1. Events of Default. In case any of the following events (any such event being herein called an Event of Default) shall occur (whatever the reason for such event and whether it shall be voluntary or involuntary):

(a) the Lessee shall fail to make any payment of Basic Rent, Fixed Rate Renewal Rent or Fair Market Renewal Rent or any payment in respect of a Casualty Occurrence due under Section 6.3 hereof within five Business Days after the same shall have become due;

(b) the Lessee shall fail to make any payment of Supplemental Rent or other payment due hereunder (other than any tax indemnity payments that have not been made as a result of a good-faith dispute over the Lessee's obligation to make such payment) within ten Business Days after the receipt of written notice thereof by the Lessor;

(c) the Lessee shall fail to perform or observe any material covenant, condition, or agreement under this Lease, in any Operative Document or any agreement, document, or certificate delivered by the Lessee in connection herewith or therewith (other than the making of tax indemnity payments that have not been made as a result of a good-faith dispute over the Lessee's obligation to make such payments), such failure shall continue for 30 days after the receipt of written notice thereof from the Lessor to the Lessee, unless such default is curable but not capable of being cured within such 30 days, then for a period of 180 days from such notice so long as such cure and such action is being diligently pursued;

(d) any representation or warranty made by the Lessee in this Lease, in any Operative Document or in any agreement, document, or certificate delivered by the Lessee in connection herewith or therewith, other than any such representation or warranty made in the Tax Indemnity Agreement, shall fail to have been correct in any material respect when made or given (and, with respect only to the representations contained in Sections 2.1(e), (k) and (l) of the Participation Agreement, such failure shall continue for 30 days after the receipt of written notice thereof from the Lessor to the Lessee, unless such default is curable but not capable of being cured within such 30 days, then for a period of 180 days from such notice so long as such cure and such action is being diligently pursued);

(e) the Lessee shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, reorganization, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar

official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action to authorize any of the foregoing; or

(f) an involuntary case or other proceeding shall be commenced against the Lessee seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, reorganization, insolvency or other similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of 120 days, or an order for relief shall be entered against the Lessee under the federal bankruptcy or reorganization laws as now or hereafter in effect, unless the debtor-in-possession, Trustee in bankruptcy or person with similar authority shall have assumed this Lease within such 120 days;

then, and in every such event, the Lessor may, by written notice to the Lessee, declare the Lease in default; provided that in the case of any of the Events of Default specified in clause (e) or (f) above with respect to the Lessee, no such notice or any other act by the Lessor shall be required and the Lease shall thereupon automatically be in default.

8.2. Remedies. If at any time after the Lessor shall have declared this Lease to be in default or the Lease shall automatically be in default, the Lessor may:

(a) proceed by appropriate court action or actions, at law or in equity, to enforce performance by the Lessee of the applicable covenants and agreements of this Lease or to recover damages for the breach thereof; or

(b) by notice in writing terminate this Lease with respect to any or all Units of Equipment, whereupon all rights of the Lessee to the use of such Units of Equipment shall absolutely cease and

terminate but the Lessee shall remain liable as herein provided; and thereupon the Lessee, if so requested by the Lessor, shall at the expense of the Lessee (i) give prompt telegraphic and written notice to the AAR and all railroads having possession or any Unit of Equipment to return the Equipment promptly to the Lessee, (ii) promptly transport the Equipment to the location specified in Section 4.9 hereof, (iii) store the Equipment for a period of up to six months at the direction of the Lessor and (iv) upon receipt of instructions from the Lessor, return the Equipment to the possession of the Lessor in the condition required by, and as more fully set forth in, Section 4.9 hereof; or the Lessor may, by its agents, enter upon the premises where the Equipment is located and take immediate possession of and remove the same, and may use and employ in connection with such removal any services, aids, equipment, trackage, and other facilities of the Lessee.

The obligation to return the Equipment to the possession of the Lessor is of the essence of this Lease, and the Lessor shall be entitled to a judgment conferring upon the Lessor the immediate right to such possession and to a decree of specific performance requiring the return of the Equipment.

8.3. Damages. The Lessee shall be liable for all damages, costs, charges, and expenses, including attorneys' fees and disbursements, incurred by the Lessor or the Security Trustee because of the occurrence of any Event of Default or the exercise of the Lessor's rights with respect thereto.

When the Lessor shall have terminated this Lease pursuant to clause (b) of Section 8.2 hereof or when this Lease shall have terminated automatically pursuant to the proviso appearing at the end of Section 8.1 hereof, the Lessee shall pay to the Lessor without further demand the following amounts:

(a) the amount of Basic Rent, Fixed Rate Renewal Rent or Fair Market Renewal Rent payable in arrears and due and unpaid (but not accrued Rent, if any) to the date the Equipment is surrendered to the Lessor as hereinabove provided, and the amount of any indemnity payment or other Supplemental Rent due hereunder;

(b) an amount equal to the Casualty Value of the Equipment, determined as of the Rent Payment Date on or next preceding the date of such surrender, which aggregate amount, because of the difficulty or impossibility of determining actual damages, the parties have agreed as the reasonable, fixed, and liquidated damages the Lessor is entitled to receive in lieu of actual damages (and not as a penalty) for loss of bargain and non-payment of rent after the surrender of the Equipment to the Lessor;

(c) any damages and expenses that the Lessor shall have sustained because of the breach of any obligation or the occurrence of an Event of Default under this Lease, other than for payment of Rent;

(d) such other expenses as shall be expended or incurred in the seizure, storage, rental or sale of the Equipment or in the enforcement of any right or privilege hereunder; and

(e) interest on all such amounts in clauses (a)-(d) of this Section 8.2 from the date the same shall be due (or, in the case oe clause (b), shall have been determined after giving effect to Section 8.4 hereof) to, but not including, the date of payment at a rate equal to the weighted average coupon rate on the Certificates plus 1% per annum.

8.4. Mitigation of Damages. Upon the recovery of the Equipment by the Lessor, the Lessor may retain the use of the Equipment, or with or without recovering possession of the Equipment the Lessor may sell or lease the Equipment or any Unit thereof in a commercially reasonable manner. If any Unit of Equipment shall be sold or leased by the Lessor, the amount to which the Lessor is entitled under Section 8.3(b) shall be reduced by the net proceeds of such sale or the net present value of the contractual rentals under any new lease for the period through, but not extending beyond, the earlier of the expiration of such new lease or the Basic Term Termination Date (discounted at the interest rate that the lessee under such new lease could borrow funds on a secured basis for a term equivalent to the term of the new lease or, if such interest rate is not reasonably susceptible of determination, at the greater of (a) 1% above the weighted average interest rate on the Equipment Trust Certificates then outstanding and (b) and the rate of interest publicly announced

by Ameritrust Texas, N.A., as its prime rate in effect for such day plus two percentage points), as the case may be, after deduction from such proceeds or present value of all costs, charges, and expenses incurred by the Lessor in the exercise of its remedies hereunder. If the Lessor shall elect to retain any Unit of Equipment, the Lessee shall be entitled, as aforesaid, to a credit against the amount of Casualty Value due or paid in respect of such Unit in an amount equal to the Fair Market Value of such Unit (assuming its actual condition), determined in accordance with the procedures set forth in Section 10 hereof (provided that if Lessee shall have failed, within five Business Days of Lessor's request in writing, to select an appraiser, then Lessee shall be bound by Lessor's selection of appraiser) less the amount of all costs, charges, and expenses of the Lessor, as aforesaid; provided that in no event shall the amount of such credit exceed the amount of the Casualty Value due or so paid.

8.5. Remedies Not Exclusive; No Waiver. No remedy referred to herein is intended to be exclusive, but each shall be cumulative and in addition to any other remedy referred to above or otherwise available to the Lessor at law or in equity. The Lessee hereby waives any requirement of law, now or hereafter in effect, which might limit or modify the remedies herein provided, to the extent that such waiver is permitted by law. The Lessee hereby waives any and all existing or future claims to any offset against the payments of Rent due hereunder and agrees to make payments of Rent regardless of any offset or claims which may be asserted by the Lessee or on its behalf. No express or implied waiver by the Lessor of any default or Event of Default hereunder shall be, or be construed to be, a waiver of any future or subsequent default or Event of Default. The failure or delay of the Lessor in exercising any right hereunder upon the occurrence of any of the contingencies set forth herein shall not constitute a waiver of any such right upon the continuation of such contingencies or similar contingencies and any single or partial exercise of any particular right by the Lessor shall not exhaust the same or constitute a waiver of any other right provided herein.

SECTION NINE
ASSIGNMENTS

9.1. Assignments; Indemnified Parties. This Lease, including all agreements, covenants, indemnities, representations, and warranties, shall be binding upon and inure to the benefit of, and may be enforced by, (a) the Lessor and its successors, and, to the extent permitted by the Participation Agreement, its assigns, and their respective agents, employees, and representatives; and (b) the Lessee and its successors and, to the extent permitted hereby, assigns. In addition, the obligations of the Lessee under Section 7 hereof shall inure to the benefit of, and may be enforced by, each Indemnified Party.

9.2. Rights of Lessor's Assignee. This Lease may be assigned to a financial institution as security for certain obligations of the Lessor. The Lessee consents to such assignment, and agrees that:

(a) all rights of the Lessor hereunder shall, to the extent provided for in the Equipment Trust Agreement, be exercisable by such assignee and its successor assignees;

(b) the rights of such assignee and such successors shall not be subject to any defense, counterclaim, or set-off that the Lessee may have or assert against the Lessor; and

(c) such assignee and any successor assignees shall not be or become liable for any obligation of the Lessor or otherwise.

9.3. Consolidation, Merger and Sale of All Assets. Nothing in this Lease shall be deemed to restrict the right of the Lessee to assign or transfer its leasehold interest hereunder to any solvent corporation incorporated under the laws of any state of the United States of America or the District of Columbia, into or with which the Lessee shall have become merged or consolidated or that shall have acquired the business and property of the Lessee substantially as an entirety, provided that such assignee or transferee shall have duly assumed the obligations of the Lessee hereunder and that such assignee or transferee will not, upon the effectiveness of such merger, consolidation, or acquisition, be in default under any provision of this Lease.

SECTION TEN
LESSEE'S OPTIONS

10.1. Early Termination. If any Car Type comprising Equipment shall in Lessee's sole opinion, be determined to be obsolete or surplus to the Lessee's requirements, the Lessee may, by 120-days' prior written notice to the Lessor, terminate this Lease with respect to all, but not less than all, of the Units of such obsolete or surplus Car Type comprising Equipment then subject to this Lease (such Equipment is hereinafter referred to as "Surplus Equipment") on a Rent Payment Date not earlier than January 1, 2003, unless an Event of Default shall have occurred and shall be continuing. On the date set forth in such notice for such termination, the Lessee shall, unless the Surplus Equipment shall be sold as provided for in the immediately succeeding paragraph, return such Surplus Equipment to the Lessor in accordance with the provisions of Section 4.9 hereof, and shall pay to or for the account of the Lessor the accrued and unpaid Rent (to the extent such Rent is payable in arrears and including Supplemental Rent) and an amount equal to the Termination Value of such Surplus Equipment determined as of the Rent Payment Date specified in the notice of termination.

During the period from the giving of notice of such termination until the Rent Payment Date specified therein for termination, the Lessee shall, as agent for the Lessor, sell such Surplus Equipment; provided that, without the prior written consent of the Lessor, such Surplus Equipment shall not be sold to the Lessee or an affiliate of the Lessee. The net proceeds of such sale received by the Lessor, less the Lessor's expenses incurred in connection with such sale, shall be paid to the Lessee to the extent of the Termination Value determined as of the Rent Payment Date specified in the notice of termination (if such Termination Value shall have theretofore been paid by the Lessee), and any balance shall be retained by the Lessor.

If, no later than 30 days prior to the date on which this Lease is to be terminated with respect to such Surplus Equipment pursuant to this Section, a responsive bid equal to or greater than such Termination Value shall not have been received and the Lessor shall not have exercised its right to take possession of the Surplus Equipment pursuant to the immediately succeeding paragraph, then the Lessee may, by notice to the Lessor, rescind the notice of

termination and continue this Lease as if notice of termination had not been given.

If the Lessor, by notice to the Lessee not more than 15 days after the receipt of notice of termination pursuant to this Section, elects to take possession of such Surplus Equipment, the Lessee shall return such Surplus Equipment to the Lessor and shall have no obligation to pay the Termination Value, but shall be required to pay to the Lessor the accrued and unpaid Rent (to the extent such Rent is in arrears) due on the Rent Payment Date (and including any Supplemental Rent then due) specified for termination. Any such notice by the Lessor pursuant to this paragraph shall be irrevocable and shall contain an undertaking (for the express benefit of the Security Trustee and the holders of the Equipment Trust Certificates) by the Lessor, not in its individual capacity but solely as trustee, and the Beneficial Owner to prepay all (or the relevant portion of) the Equipment Trust Certificates then outstanding, including principal, prepayment premium, if any, and interest accrued to such date of prepayment.

10.2. Purchase Options. (a) Basic Term Purchase Option. The Lessee, by not less than 120-days' written notice to the Lessor but not more than 360 days prior to the end of the Basic Term or any Renewal Term, may elect to purchase all of the Units of Equipment of either or both Car Type then subject to this Lease for the Fair Market Value of such Units as determined pursuant to paragraph (c) hereof.

(b) Special Purchase Option. The Lessee, by not less than 120-days' written notice to the Lessor prior to the Special Purchase Option Date specified in Schedule C to the Rent Agreement, may elect to purchase all, but not less than all, of the Units of Equipment of either or both Car Type then subject to this Lease at the date and for the percentage of Original Cost specified in such Schedule C. No Basic Rent shall be due on or after such Special Purchase Option Date with respect to the Units of Equipment purchased by Lessee pursuant to this Section 10.2(b).

(c) Determination of Fair Market Rent and Fair Market Value. The Fair Market Rent or Fair Market Value shall be determined as of 100 days prior to the commencement of any such extended term or exercise of purchase option, as the case may be, and shall be equal to a reasonable estimate of the amount that would obtain in an arms' length transaction on the date of the commencement of any such extended term or exercise of purchase option between an informed and

willing lessee or buyer (other than a lessee or buyer in possession), as the case may be, and an informed and willing owner under no compulsion to lease or sell and disregarding the purchase and renewal options provided in this Lease, and in such determination, the Equipment shall be assumed to be in the condition required by, and otherwise in compliance with the terms of, Section 4.9 hereof upon a return of the Equipment to the Lessor and as if the Equipment had been maintained at all times as required in accordance with Section 4.1 hereof. The costs of removal from the location of current use shall not be a deduction from such rent or value.

If the Lessee and the Lessor are unable to agree on the Fair Market Rent or Fair Market Value, as the case may be, before 150 days prior to the expiration of the term of this Lease, such rent or value shall be determined by an appraiser selected by the Lessee and the Lessor, or if such parties cannot agree on a single appraiser, by two appraisers, one selected by each party. If the two appraisers cannot agree on a rent or value before 130 days prior to the expiration of the term of this lease, then they shall select a third appraiser not later than 125 days prior to the expiration of the term of this Lease. If such two appraisers fail to appoint a third appraiser within such time, then either the Lessor or the Lessee, on behalf of both, may request such appointment by the then President of the Association of the Bar of the City of New York (or any successor organization thereto) or, in his absence, failure, refusal or inability to act, then either the Lessor or the Lessee may apply to the American Arbitration Association (or any successor organization thereto) in New York, New York for the appointment of such third appraiser. The three appraisals shall be averaged and the appraisal furthest from such average shall be disregarded. The parties shall be bound by the average of the remaining two appraisals. The cost of the first appraiser shall be borne by the Lessee, the cost of the second appraiser shall be borne by the Lessor and the cost of the third appraiser shall be borne by the Lessee.

(d) Any purchase under paragraphs (a) or (b) of this Section 10.2 shall be "as is, where is", and with all faults. Upon payment by the Lessee of the amounts contemplated by such sections together with any amounts of Rent (to the extent payable in arrears) then due and unpaid, the Lessor will convey the Units of Equipment so being purchased by delivery of a bill of sale without recourse or warranty of title except as to the absence of liens, claims, security interests, and encumbrances arising from, through, or under the Lessor, including the security interest of the Equipment

Trust Agreement. Upon such purchase in respect of any Unit of Equipment, the Rent for such Unit shall cease to accrue, and this Lease shall terminate with respect to such Unit. Lessor agrees not to prevent Lessee from causing any or all Units subject to such purchase from being located for acceptance in such places, otherwise permitted under this Lease, as Lessee shall determine.

10.3. Refinancing. Any premium payable in connection with the pre-payment of the Certificates in connection with a refinancing contemplated by Section 4.7 of the Participation Agreement and Section 4.6 of the Equipment Trust Agreement shall be paid as Supplemental Rent by the Lessee on the date of pre-payment pursuant to this section. For purposes of this Section 10.3 only, "Certificates" shall include the Equipment Trust Certificates and any debt certificates issued in connection with the refinancing of the Equipment Trust Certificates issued pursuant to the Equipment Trust Agreement.

SECTION ELEVEN
LEASE SUPPLEMENTS; ADJUSTMENTS TO THE RENT AGREEMENT

11.1. Lease Supplements. If:

(a) the Lessee exercises its rights with respect to Units of one, but not both, Car Types comprising Equipment subject to this Lease, pursuant to Section 10.1 (regarding Early Terminations); or

(b) the Lessee exercises its rights under Section 1.4 of the Participation Agreement to alter the mix of Units within Car Types or to substitute other Units from other builders within such Car Types prior to the relevant Settlement Dates thereunder;

then, and in every such case, the Lessee and the Lessor shall execute agreements supplemental hereto (each, a "Lease Supplement") effecting such change or changes (including releasing or subjecting Equipment to this Lease) as may be necessary or desirable to carry out the transactions contemplated in this Lease and the Participation Agreement, and the Lessee, at its expense, shall cause such Lease Supplement to be recorded and filed as provided in Section 4.7 hereof. The

Lessee shall pay (on an After-Tax Basis) all fees and expenses of the Lessor incurred in connection with the execution of each Lease Supplement entered into in connection with clause (a) above.

11.2. Rent Agreement Amendments. The percentages for Basic Rent set forth in Schedule A of the Rent Agreement, the percentages for Casualty Value and Termination Value set forth in Schedule B of the Rent Agreement, the Special Purchase Option amount set forth in Schedule C of the Rent Agreement and the debt amortization schedules set forth in the Schedules to the Equipment Trust Certificates as provided in Section 1.5 of the Participation Agreement shall be appropriately adjusted from time to time (upward or downward) in the manner set forth in Section 11.4 hereof to reflect: (a) the Settlement Dates or amounts having occurred on dates and in amounts other than on Expected Settlement Dates as specified in Section 1.3 of the Participation Agreement, (b) the incurrence of Transaction Expenses, (c) any reoptimization pursuant to Section 1.5 of the Participation Agreement and (d) any refinancing of the Equipment Trust Certificates pursuant to Section 4.7 of the Participation Agreement.

11.3 Change in Tax Law. The percentages for Basic Rent set forth in Schedule A to the Rent Agreement, the percentages for Casualty Value and Termination Value set forth in Schedule B to the Rent Agreement, the Special Purchase Option amount set forth in Schedule C to the Rent Agreement and the debt amortization schedules set forth in the Schedules to the Equipment Trust Certificates as provided in Section 1.5 of the Participation Agreement shall be appropriately adjusted pursuant to Section 11.4 hereof to reflect any Change in Tax Law (as defined below) occurring after the date hereof and prior to the Settlement Date of any Unit of Equipment; provided, however, that in the case of a Change in Tax Law that would otherwise result in an upward adjustment to Basic Rent, there shall not be any adjustment unless the Lessor gives to the Lessee notice of such Change in Tax Law, together with the amount of such adjustment in Basic Rent and the amount of the correlative adjustments to Casualty Value, Termination Value, the Special Purchase Option amount and leverage and debt amortization schedules prior to the Settlement Date for the Units of Equipment to which it is applicable; provided further, however, that in the case of any Change in Tax Law that would otherwise increase the Lessee's Present Value Cost (as defined below) by 50 basis points or more, the Lessee shall have the right, in lieu of making any adjustment otherwise required by this Section 11.3 with respect to such Change in Tax Law, to elect

not to close on any Settlement Date occurring on or after the date of such Change in Tax Law. The term "Change in Tax Law" means (i) any revocation of, or modification of, or addition to, any Federal income tax statute or regulation promulgated pursuant thereto, other than Section 467 of the Code or any successor thereto, or (ii) any proposal to revoke or modify, or make additions to, any Federal income tax statute, or any proposed regulation pursuant thereto, other than Section 467 of the Code or any successor thereto; provided, however, that no adjustment shall be made with respect to any Change in Tax Law described in clause (ii) of this sentence unless (and until) such proposed Change in Tax Law is adopted (A) in the case of a statute, by the 102nd Congress of the United States, or (B) in the case of a proposed regulation, on or before the end of the 102nd Congress of the United States, at which time the remaining Rents, Casualty Values, Termination Values, Special Purchase Option amount, and leverage and debt amortization schedules, to the extent applicable, shall be adjusted to reflect such Change in Tax Law. The term "Present Value Cost" means the sum of the present values, as of the Closing Date, of the Basic Rent Payments due on or before the Special Purchase Option Date and the Special Purchase Option Amount, expressed as a percentage, and utilizing a discount rate of 8.17%. Any calculations under this Section 11.3 shall be subject to the verification procedure set forth in Section 9(f) of the Tax Indemnity Agreement.

11.4. Manner of Making Rent Agreement Amendments. All adjustments pursuant to Section 11.2 or 11.3 hereof shall be made by the Lessor (based upon calculations provided by the Beneficial Owner) prior to the first date on which payment of Rent by the Lessee is due hereunder; provided that as far as practicable, only one such adjustment shall be made. All adjustments shall be made in a manner which (a) maintains the Beneficial Owner's Net Economic Return during the Interim Term and Basic Term, (b) minimizes Lessee's Net Present Value of Rent during the Basic Term, (c) insures that the ratio of (i) the aggregate principal amount of Equipment Trust Certificates outstanding on the date of such reoptimization, and (ii) the aggregate Original Cost of Equipment subject to the Lease, does not exceed 80%, (d) insures that the weighted average life of each tranche of Equipment Trust Certificates remains within six-months of the Expected Average Life thereof and the final maturity of the Equipment Trust Certificates remains within six months of the Expected Final Maturity thereof, and (e) insures that the Equity Participant's contribution does not exceed the aggregate $2,000,000, exclusive of capitalized interest to be paid by

such Equity Participant; provided that any benefits associated with adjustments pursuant to Section 11.2(d) shall directly be passed on to Lessee in the form of adjusted rent during the Basic Term.

For purposes hereof:

"Net Economic Return" shall mean the Beneficial Owner's anticipated after-tax yield and aggregate after-tax cash flow, computed on the basis of the same methodology and assumptions as were utilized by the Beneficial Owner in determining, as of the date hereof, Basic Rent, Casualty Value, Termination Value and Special Purchase Option percentages, as such assumptions may be adjusted for events which have been the basis of adjustments to rent pursuant to Section 11.2 and 11.3 hereof.

"Net Present Value of Rents" means the net present cost to Lessee as of the first Settlement Date, expressed as a percentage of Original Cost, as of the date hereof, of all Basic Rent payments, discounted at a rate per annum compounded semi-annually, equal to 8.17%.

SECTION TWELVE
MISCELLANEOUS

12.1. Method of Notice. All notices, demands, instructions and other communications required or permitted to be given to or made upon any party hereto shall be in writing and shall be personally delivered or sent by certified mail, postage prepaid, or by prepaid telex, or by telecopier (with a copy by first class mail), or by prepaid courier service, and shall be effective for purposes of this Agreement (i) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as specified or (ii) if given by any other means, when delivered at the address specified, all in accordance with the provisions of this Section 12.1 and shall be given to or made upon the parties as follows:

(a) if to the Lessor, with copies to

Ameritrust Texas, N.A.
1201 Elm Street, 30th Floor
Dallas, Texas 75270
Attn: Corporate Trust Department
Fax: (214) 712-3423

and,

Fifth Third Leasing Company
38 Fountain Square Plaza
Fifth Third Center
Cincinnati, Ohio 45263
Attn: David A. Jackson, Senior Vice President
Fax: (513) 579-5226

(b) if to the Lessee, at

TTX Company
101 North Wacker Drive
Chicago, Illinois 60606
Attention: Treasurer
Fax: (312) 984-3855

(c) and in each case, so long as any amounts remain outstanding on any Equipment Trust Certificate, with a copy to:

Mercantile-Safe Deposit and Trust Company
Two Hopkins Plaza
Baltimore, Maryland 21201
Attention: Corporate Trust Department

and,

Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Attention: Stephen H. Case
Fax: (212) 450-4800

or such other address that any party shall designate by notice to the others.

12.2. Indemnity for Lessor's Performance. If the Lessee shall fail to perform or comply with any of its agreements contained herein, the Lessor may upon notice to the

Lessee itself perform or comply with such agreement, and the Lessee shall pay to the Lessor, upon demand, the amount of the reasonable costs and expenses incurred by the Lessor in connection with such performance or compliance, together with interest on such amount at the rate per annum set forth in Section 2.3 hereof for overdue payments of rent.

12.3. Covenants to Survive. All indemnities, representations, and warranties contained in this Lease or any document, agreement, or certificate delivered pursuant hereto shall survive the expiration or other termination of this Lease.

12.4. Headings. The headings of the sections hereof are for convenience of reference and are not intended to be part of, and shall not affect the interpretation of, the sections so headed.

12.5. Amendments and Waivers. The terms of this Lease shall not be waived, altered, modified, amended, supplemented, or terminated in any manner whatsoever except by written instrument signed by the Lessor and the Lessee and, so long as any amounts remain outstanding on any Equipment Trust Certificate, with the written consent of the Security Trustee in the manner provided in the Equipment Trust Agreement; provided, however, that no consent of the Security Trustee shall be required to any waiver, alteration, modification, supplement or termination of any term of this Lease governing Excluded Interests.

12.6. Enforceability and Severability. If any provision of this Lease is invalid, prohibited or unenforceable in any jurisdiction, such invalidity, prohibition or unenforceability shall not invalidate the remaining provisions hereof, and any such invalidity, prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by law, the Lessee hereby waives any provision of law that renders any provision hereof invalid, prohibited or unenforceable in any respect.

12.7. Law Governing. THIS LEASE SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK, BUT THE PARTIES HERETO SHALL HAVE ALL OF THE BENEFITS OF 49 U.S.C. § 11303.

12.8. Recourse. This Lease is solely a corporate obligation of the Lessee and the Lessor and no recourse shall be had in respect of any obligation, covenant, or agreement

of this Lease, or referred to herein, against any stockholder, incorporator, director, or officer, as such, past, present, and future, of the parties hereto by the enforcement of any assessment or by any legal or equitable proceeding, by virtue of statute or otherwise.

Ameritrust Texas, N.A., is entering into this Agreement solely as trustee under the Trust Agreement and not in its individual capacity and in no case whatsoever shall Ameritrust Texas, N.A., or any person or entity acting as a trustee under the Trust Agreement be personally liable for, or for any loss in respect of, any of the statements, warranties, representations, agreements or obligations of the Lessor hereunder except for the willful misconduct or gross negligence of such person and except for statements, warranties, representations, agreements or obligations expressly made by it in its individual capacity.

12.9. Intention of the Parties. This Lease shall be construed as an agreement of lease and nothing herein shall be construed as conveying to the Lessee any right, title, or interest in or to the Equipment, except as lessee only. This agreement and the other agreements and documents referred to herein constitute the final and entire expression of the agreement of the parties regarding to the matters contemplated hereby.

12.10. Counterparts. This Lease may be executed in any number of counterparts and by the different parties hereto on separate counterparts, all of which together shall constitute a single agreement, but the counterpart or counterpart set delivered to the assignee of the Lessor shall be and be marked the "Original" and all other counterparts hereof shall be and be marked "Duplicate." No security interest or other right in this Lease can be created by the transfer or possession of any counterpart or counterpart set other than the "Original," but any "Duplicate" counterpart or counterpart set shall be valid evidence of this Lease for any other purpose.

12.11. Effectiveness. Although this Lease is dated as of the date first above written for convenience, the actual dates of execution hereof by the parties hereto are respectively the dates set forth in the notaries' acknowledgments thereof, and this Lease shall be effective on the latest of such dates.

12.12. Service of Process. The Lessor and the Lessee each hereby irrevocably submits itself to the non-

exclusive jurisdiction of the United States District Court for the Southern District of New York and to the non-exclusive jurisdiction of the Supreme Court of the State of New York, New York County, for the purposes of any suit, action or other proceeding arising out of this Lease, the subject matter hereof or any of the transactions contemplated hereby brought by the Lessor, the Lessee, the Security Trustee, the holders of Equipment Trust Certificates issued under the Equipment Trust Agreement or the Beneficial Owner or their respective successors or assigns.

12.13. Successor Trustee. The Lessee agrees that in the case of the appointment of successor Owner Trustee pursuant to the terms of the Trust Agreement, such successor Owner Trustee shall, upon written notice by such successor Owner Trustee, succeed to all the rights, powers and title of the Lessor hereunder and shall be deemed to be the Lessor and the owner of the Equipment for all purposes hereof without the necessity of any consent or approval by the Lessee and without in any way altering the terms of this Lease or the Lessee's obligations hereunder. One such appointment and designation of a successor Owner Trustee shall not exhaust the right to appoint and designate further successor Owner Trustees pursuant to the Trust Agreement, but such right may be exercised repeatedly as long as this Lease shall be in effect.

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized:

TTX COMPANY, as Lessee

By

Name: Thomas D. Marion
Title: Treasurer

AMERITRUST TEXAS, N.A., as Lessor
(not in its individual capacity but solely as trustee)

By

Name:
Title:

STATE OF ILLINOIS)
) SS.:
COUNTY OF COOK)

On this 25th day of June, 1992, before me personally appeared Thomas D. Marion, to me personally known, who, by me being duly sworn, says that he is Treasurer of TTX COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said company, and that said instrument was signed and sealed on behalf of said company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

"OFFICIAL SEAL"
Jane M. Congram
Notary Public, State of Illinois
My Commission Expires 5/8/95

Jane M. Congram
Notary Public

(Seal)

My commission expires

STATE OF _____
) SS.:
COUNTY OF _____)

On this ____ day of June, 1992, before me personally appeared _____, to me personally known, who, by me being duly sworn, says that he is a _____ of Ameritrust Texas, N.A., that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

(Seal)

My commission expires

Lease (No. 36-C)

IN WITNESS WHEREOF, the parties hereto have each caused this Lease to be duly executed by their respective officers thereunto duly authorized:

TTX COMPANY, as Lessee

By

Name: Thomas D. Marion
Title: Treasurer

AMERITRUST TEXAS, N.A., as Lessor
(not in its individual capacity
but solely as trustee)

By Susan Smith

Name: Susan Smith
Title: Vice President

STATE OF ILLINOIS)
) SS.:
COUNTY OF COOK)

On this ____ day of June, 1992, before me personally appeared Thomas D. Marion, to me personally known, who, by me being duly sworn, says that he is Treasurer of TTX COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said company, and that said instrument was signed and sealed on behalf of said company by authority of its board of directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said company.

_____
Notary Public

(Seal)

My commission expires

STATE OF TEXAS)
) SS.:
COUNTY OF DALLAS)

On this 29TH day of June, 1992, before me personally appeared SUSAN SMITH, to me personally known, who, by me being duly sworn, says that she is a VICE PRESIDENT of Ameritrust Texas, N.A., that said instrument was signed and sealed on behalf of said corporation by authority of its board of directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

_____
Notary Public

(Seal)

My commission expires

Lease (No. 36-C)

TL36
06/24/92
FIFTH THIRD

SCHEDULE A

TTX COMPANY
LEASE NO. 36-C
DATED AS OF JUNE 30, 1992
CLOSING #1, DATED JUNE 30, 1992

BUILDER/ CAR TYPE	QUANTITY CARS	QUANTITY PLATFORMS	CAR NUMBERS	DELIVERY PERIOD	CONTRACT
GUNDERSON, INC.					
SINGLE-UNIT DOUBLE-STACK CONTAINER WELL CARS, WITH CAPACITY FOR 20' TO 48' CONTAINERS IN ALL WELLS- DTTX.	10 25	10 25	56465-56474. 56696-56720.	MARCH-APRIL,'92 APRIL-MAY,'92	T-4A91-F T-4C91-F
FIVE-UNIT ARTICULATED DOUBLE-STACK CONTAINER WELL CARS WITH CAPACITY FOR 20' TO 48' CONTAINERS IN ALL WELLS- DTTX.	14	70	75129-75141, 75143.	FEB.-MAY,'92	T-4091-F
THRALL CAR MANUFACTURING					
SINGLE-UNIT DOUBLE-STACK CONTAINER WELL CARS, WITH CAPACITY FOR 20' TO 48' CONTAINERS IN ALL WELLS- DTTX.	11 23	11 23	54174-54184. 54362-54384.	FEB.-APRIL,'92 MARCH-MAY,'92	T-4A91-T T-4C91-T
FOUR-UNIT DRAWBAR-CONNECTED DOUBLE-STACK CONTAINER WELL CARS WITH CAPACITY FOR 20' TO 48' CONTAINERS IN ALL WELLS- DTTX.	1	4	25127.	FEB.-MARCH,'92	T-4091-T
TOTAL	84	143			